

Weekend

FINANCIAL TIMES

Weekend FT
Food and drink
on the Internet
SECTION II

World Business Newspaper

ALSO INSIDE TODAY'S
Weekend FT

- An inflationary business: The balloon artist who beat the Americans
- James Morgan: The privilege of being Italian
- How to Spend It: Clothes from the Andes

Whirlpool suffers third-quarter profits setback

Increased competition in Europe caused a 23 per cent fall in third quarter earnings to \$64m at Whirlpool, the world's largest manufacturer of white goods. The company reported recovery in the US market, where a fall in volume in the second quarter gave way to a 3 per cent rise in the third, but profits halved in Europe. Page 6

London stocks close near to record high

London stocks surged by more than 60 points yesterday before caution pulled them back to close just below the record created a month ago. Slightness over the high valuations in equities was reflected in volatility over the past week. The futures contract on the FTSE 100 index swung around 171 points from its low on Tuesday to its high yesterday afternoon. The footsie closed 44.2 higher on the day at 3,568.4, three points below the record. London stocks, Page 18; Markets, Weekend FT Page XXI

Bonn pledges DM4bn for new aircraft

Germany said it was ready to spend DM4.3bn (\$3bn) to develop the next generation of European military transport aircraft. Page 2

Major's election battle cry

British prime minister John Major told the ruling Conservative party's conference the main plank of the party's general election campaign would be the creation of a low tax economy which would be the "enterprise centre of Europe". Page 22; Minister urges fresh blitz on EU regulations, Page 4; Editorial Comment, Page 8

Norwich Union heads for markets

Norwich Union, one of the UK's largest insurers still owned by its policyholders, set course for a possible stock market flotation which would enable it to make large acquisitions. Page 4; Lex, Page 22

US economy on course

US Labour Department figures for October suggest the economy is enjoying low inflation and moderate growth. Page 3

India to be third biggest rice exporter

India is set to become the world's third largest rice exporter, its Agriculture Ministry said. Page 3

Japan's economy 'heading for recovery'

Japan's economy should recover early next year in response to record low interest rates, a weaker yen and increased public spending, the government's chief economic forecaster said. Page 3

StatOil likely to launch Aran bid

Norwegian state oil company StatOil is expected to announce an offer for Dublin-based Aran Energy, trumping a hostile £183m (\$222m) bid by Atlantic Richfield of the US. Page 5

Companies in this issue

AAH	5 Gemina
Alitalia	1 Glencoe
Aran Energy	5 Hollinger
Atlantic Richfield	5 Lionheart
Automated Security	6 Lloyds Bank
Blatch Mining	5 London & Assoc IT
CNP	5 Lykes Bros Steamship
Carlton Comms	5 Monarch Resources
Cirio	5 North West Water
Coca-Cola	5 Novartis
Colorvision	6 P&J Nabisco
Country Casuals	6 Rhine
Country Style Inns	6 Scholl
Denka Business	5 Shoprite
English National	5 Skoda
Eurocontrol	6 Statoil
Ferlini	5 TSB
Ford	5 Teleph
Gehe	5 VW
	1 Walt Disney
	5 Whirlpool

For customer service and other general enquiries call:

Frankfurt
(061) 15685150

From the Milan catwalk

Adventure on top of the world

WEEKEND OCTOBER 14/OCTOBER 15 1995

DB523A

Russian leaders call for higher social spending in run-up to elections

Yeltsin questions budget plans

By Chrystie Freeland in Moscow

Russia's president and prime minister yesterday called for higher social spending in a sign that the Russian leadership's commitment to tough economic reform could be wavering ahead of parliamentary elections in December.

The sharpest comments came from President Boris Yeltsin, who publicly embarrassed his cabinet by calling into question the 1996 draft budget.

The statements by Mr Yeltsin and Mr Victor Chernomyrdin, the prime minister, are likely to raise concern in western capitals and at the International Monetary Fund. Western leaders have praised the austere economic policy Russia has pursued this year and credited it with laying the foundations for an economic revival next year.

But some observers have been

concerned that the government might loosen its purse strings in an effort to win over Russia's disgruntled and impoverished voters ahead of parliamentary elections in December.

The two leaders' comments came as the government made its first formal presentation of the draft budget to parliament, which is expected to vote on it next week. Analysts said the legislature was leaning towards rejecting the draft budget.

Ahead of the December elections, MPs appeared keen to distance themselves from the tough economic policies of the Yeltsin

administration and court support from voters by backing popular measures. Mr Yeltsin said yesterday the budget figures were "not entirely justified or properly worked out".

Some analysts interpreted his remarks as an effort to undermine Mr Chernomyrdin, who is often portrayed as a potential rival for the presidency. Speculation about a growing rift between the two has mounted over the past few weeks.

But even Mr Chernomyrdin, who pushed through this year's tough economic programme, suggested he might be prepared

to increase government spending to appease pensioners, the military and sectors of the economy which have suffered from the strict reform programme. In an address to parliament, Mr Chernomyrdin apologised for the painful side-effects of economic reform, said that he was "not very satisfied" with the government's economic performance this year, and pointed to continued high levels of inflation and low real incomes as specific shortcomings.

Mr Chernomyrdin leads Our Home is Russia, a new pro-government party which is contesting the elections, and the prime minister's political future is thought to be closely tied to his party's performance.

But recent opinion polls have shown that the overwhelming majority of Russian voters is deeply dissatisfied with the government's economic performance and is likely to support communists and extreme nationalists.

The prime minister yesterday offered a clutch of olive branches to sectors of Russian society which have been particularly hard hit by reforms.

Mr Chernomyrdin promised to pay off all outstanding wages to state employees, many of whom have not been paid for months because of the treasury's efforts to contain spending. He also vowed to increase pensions and guarantee their timely payment.

Real threat to Russia is crime, officials warn, Page 2

Ford set to invest \$475m on engines at UK plant

By Hal Simonian,
Motor Industry Correspondent

Ford plans to invest about £300m (£475m) on a new generation of engines for its small cars at Bridgend in south Wales. A formal announcement could be made at next week's London Motor Show if government ministers confirm the state aid package for the project in time.

Bridgend, which builds engines for much of Ford's European car range, clinched the investment ahead of Ford factories at Valencia in Spain and Cologne in Germany. However, it is believed the final choice between Bridgend and Valencia was finely balanced, with the level of state assistance decisive.

Details of the aid package will not be released until the overall project is announced. Ford could receive up to 20 per cent of the project's total cost under the regional selective assistance scheme operated by the Welsh Office. The impact on employment remains unclear although the new investment is likely to boost Bridgend's 1,300 workforce substantially.

The latest investment marks the second big engine programme by Ford in the UK in less than six months, highlighting the company's policy of concentrating the expansion of European engine production in Britain. In April the company said it would design and build its new Puma diesel engine range at Dagenham in a project costing £400m.

The new Zetec SE engine, which is already built at Valencia, has just appeared in Ford's heavily revised small Fiesta hatchback which is going on sale across Europe soon. The car, built at Valencia, Cologne and Dagenham, is one of Europe's most popular small vehicles, with 486,000 sold last year. The Zetec engine will also be fitted to a new

Continued on Page 22
Samsung to relocate European HQ to London, Page 4



Anti-nuclear weapons campaigner Dr Joseph Rotblat relaxes at his north London home yesterday after winning the Nobel peace prize. The award was made jointly to Dr Rotblat and the Pugwash conference on science and world affairs which he helped to found. Report, Page 22

Embattled Alitalia chief refuses to quit

By Andrew Hill in Milan

The chief executive of Alitalia, the Italian state airline, is fighting off demands for his resignation from IRI, the state holding company which is Alitalia's majority shareholder.

Mr Roberto Schisano has lost the confidence of IRI and the Italian government after more than a year of persistent industrial action by Alitalia employees, protesting at his plans for restructuring the loss-making airline.

Alitalia has cut losses, but debt

has risen to over £3.5bn (\$5.17bn) and the airline admitted last month it would not break even in 1995 as hoped. IRI had set financial recovery as a condition for an injection of new capital.

At a stormy meeting on

Wednesday with Mr Michele Tedeschi, IRI's chairman, Mr Schisano refused to give up his job, which he took on in February last year after a career spent with Texas Instruments, the electronics company, of the US.

Alitalia has called a board meeting for next Thursday, at which fellow directors could vote to strip Mr Schisano of his powers. If he still refuses to step down, they could resign en masse and call an extraordinary shareholders' meeting.

The government lost patience with Mr Schisano's efforts after he struck a "secret agreement" on pay with pilots during the summer. Alitalia has since denied that such a deal was

made.

For further information on the

Guinness Flight Madras Indian Equity Fund, complete the coupon, call 0171 522 2111 or contact your financial adviser.

CAPITALISE ON THE CHANGING FACE OF INDIA



NEW MADRAS INDIAN EQUITY FUND

The potential for above average growth - from a portfolio of predominantly medium and small cap. companies in Southern and Western India, where many of India's best industries are based.

The time is right. Analysts expect a rise of over 25% in corporate profitability next year and, with the Indian stockmarket well below its highs of last year, share values compare very well to other Asian markets.

Local expertise from Guinness Flight's joint venture company, First India Asset Management Ltd., based in Madras, and an associated company of the Chidambaram Group.

For further information on the Guinness Flight Madras Indian Equity Fund, complete the coupon, call 0171 522 2111 or contact your financial adviser.

The Madras Indian Equity Fund

GUINNESS FLIGHT

Return to: Investor Services Department, Guinness Flight Global Asset Management Limited, 5th Floor, 5 Gainsford Street, London SE1 2NE. Tel: 0171 522 2111. Fax: 0171 522 3001.

Please send me details of the new Guinness Flight Madras Indian Equity Fund.

Title: Initials: Name: _____

Address: _____

Postcode: _____

* Fund since launch Oct 1982 - 10.11.95. Past performance is not necessarily a guide to the future. Performance in the value of the underlying securities and in the value of the fund and changes in interest rates, exchange rates and other economic and political conditions may affect the value of the fund. Investment risk is not limited to the value of the shares average volatility associated with many developing markets, particularly in the short term, and may be higher than in more developed markets. The fund is not a pension fund. The fund is a sub-fund of Guinness Flight Savers Fund P.L.C. A "child-fund" "parent" fund. Minimum investment £1,000/US\$1,600.

For customer service and other general enquiries call:

Frankfurt
(061) 15685150

NEWS: INTERNATIONAL

Bonn pledges DM4bn for new aircraft

By Michael Lindemann in Bonn and Bernard Gray in London

Germany yesterday said it was ready to spend DM4.3bn (21.5m) to develop the next generation of European military transport plane, dubbed the Future Large Aircraft.

That would put the full development cost of the FLA at about 7.5bn (34.5m), much higher than previous forecasts of between \$4bn and \$5bn. It is the first time any of the project's leading partners - Germany, France, Britain, Italy and Spain - have com-

mitted themselves to precise development figures.

Mr Edmund Stoiber, the Bavarian state premier, said the money had been set aside in the German federal budget and that the FLA was to be ready by the year 2000. The German requirement for the FLA comes later than other partners, with Britain requiring aircraft in 2003 and France in 2006.

The high development figure surprised some involved in the project, who had put the German share of the development cost at closer to DM2bn.

One senior government official said Mr Stoiber had been "a little too zealous" in announcing the figure.

However, he confirmed that Mr Volker Rühe, defence minister, had used the figure at a meeting in Bonn of ministers and senior industry executives called to discuss the problems of the German aerospace industry. Mr Rühe had told the meeting that the DM4.3bn had been set aside in his ministry's longer-term budget plans.

Britain has agreed to rejoin pro-

vided the programme is commercially managed by the Airbus consortium and its costings are acceptable. A

decision is expected by the end of the year.

Britain has £150m in hand to start its share of FLA development. It would expect to make the wings, as it does on other Airbus aircraft.

However, Daimler-Benz Aerospace is also keen to manufacture the FLA wings and there may be competition for the work.

The four-nation Airbus consortium is creating a military company to handle the FLA, and to accommodate Italy, which is not currently an Airbus partner.

INTERNATIONAL NEWS DIGEST

UN sanctions on Iraq to stay

Prospects for lifting sanctions against Iraq have been set back severely by Baghdad's blatant misleading of UN inspectors on the extent of its nuclear, chemical and biological weapons programmes. Key members of the Security Council said last night.

US officials said it could take up to a year simply to analyse a mass of data finally handed over to the UN by the Iraqis. Sir John Weston, the UN delegate, said no surprises need be expected when the Council held its next 60-day sanctions review in November.

Mr Rolf Ekeus, head of the UN Inspection Commission which returned from Baghdad this week, briefed the Council on the information released by the Iraqis. Sir John termed it a "chingh account". As a result the Council will have to consider tightening and broadening the scope of the year-old monitoring system.

Michael Littlejohns, New York

Japanese bank rescue in trouble

Dai-ichi, Japan's largest retailer, and Sanwa Bank, a leading commercial bank, are refusing to take part in the rescue of the Hyogo Bank and Kizu Shinyo Kumai, two financial institutions which collapsed last August because of mounting bad loans. The refusal has heightened anxiety among financial authorities.

Mr Isao Nakuchi, president of Dai-ichi, is reluctant to invest in a new bank which will take on the assets, liabilities and operations of Hyogo Bank.

The ministry of finance wants to inaugurate the new bank this month and wants local businesses and banks to put up capital. The ministry estimates it will take almost 10 years for the new bank to pay dividends to investors. "It would be difficult for us to invest in a company which fails to produce profits," said Mr Nakuchi, adding that he would consider investing if the new bank would pay dividends within three years.

Meanwhile Sanwa Bank rejected claims by the Osaka government that the bank was responsible for the financial problems at Kizu. The Osaka prefectural assembly yesterday disclosed a letter sent to Sanwa in May, calling for the bank to assume financial responsibility for Kizu's plight as Sanwa introduced depositors at Kizu in the late 1980s. The letter, however, was returned by Sanwa unopened because the bank believed that it had no administrative obligation to the Osaka government.

Emiko Terazono, Tokyo

Row over de Klerk rumours

The African National Congress yesterday accused the National party, its junior partner in the South African government, of spreading rumours aimed at destabilising financial markets. It said the National party was responsible for a report that surfaced in London on Thursday, which claimed that Mr F W de Klerk, the party leader, had resigned as deputy president following a clash with the ANC.

Mr Carl Niehaus, an ANC spokesman, said he had evidence that the office of Mr de Klerk had instigated the rumour, which caused a brief dip in bond prices on the Johannesburg stock exchange. Prices recovered following a statement from Mr de Klerk that the rumours were baseless.

The ANC said the National party's aim was to affect the markets and thereby exaggerate its importance during the run-up to local elections on November 1. The National party rejected the allegations.

Roger Matthews, Johannesburg

Latvia applies to join EU

Latvia yesterday applied to join the European Union as part of its attempt to reject its Soviet past and re-orient towards the west. President Guntis Ulmanis said the direction of Latvia's foreign policy was clear, although he expected the application process to be long and complex.

Latvia's foreign ministry suggested it could take as long as 10 years before the country complied with all the EU's membership requirements.

John Thornhill, Moscow

Global consumer code launched

Consumers International, the London-based world federation of consumer organisations, yesterday launched a campaign to persuade multinational companies to sign up to a business ethics charter. The charter covers anti-competitive practices, advertising claims, marketing to children, product standards, labelling and product information, complaints and redress, and guarantees.

CI said that although many voluntary codes existed, the new charter filled the need for a comprehensive cross-industry code that would "set the bounds of ethical behaviour from a consumer perspective". Consumer groups in individual countries would be able to use the code as a benchmark for assessing the behaviour of companies.

The United Nations has been discussing a code of practice for multinationals since the late 1970s, but has failed to agree a set of measures. UN efforts were abandoned last year.

Companies signing up to CI's charter will have to report every two years on how they are complying with the provisions, as well as agreeing to scrutiny of their activities by local consumer organisations.

Diane Summers, London

Bundesrat blocks MPs' pay rise

Germany's Bundesrat, or upper house, yesterday blocked a controversial change to the constitution which would have linked the salaries of parliamentary deputies to those of the country's highest judges.

The decision by the Bundesrat, which represents the 16 Länder and is dominated by the opposition Social Democratic party, is a blow for Mr Rudolf Schärling, SPD leader. He and the party's parliamentary deputies in the Bundestag, the lower house, had already voted with Chancellor Helmut Kohl's government coalition for the salary increases.

The proposed increases, which would have meant a 40 per cent pay increase over the next five years, were part of a reform package aimed at reducing the number of parliamentary deputies. But the Bundesrat blocked the draft law, saying the automatic rises would weaken public accountability.

Judy Dempsey, Berlin

Fresh setback for Ciller

Mrs Tansu Ciller (left), Turkey's prime minister, suffered another damaging defection from her ruling True Path party yesterday, only two days before a crucial vote of confidence in parliament. Mr Ervin Faralyali, a former energy minister, followed four True Path MPs who quit on Thursday, cutting the party's seats in parliament to 176. Mrs Ciller needs a simple majority of MPs' voting in the 428-member parliament to confirm her new minority government in office. Commentators said tomorrow's vote would be close, but a widening rebellion

in the True Path was undoing a complex arrangement in which the far-right Nationalist Action party and the moderate Democratic party would support Mrs Ciller's minority government in the vote.

John Barham, Ankara

The number of registered job-seekers in Spain rose by 37,800 last month to 2.38m or 15.3 per cent of the active population from 15.1 per cent in August. The increase came after seven consecutive months of decline.

However, the labour ministry said new job placements of 651,000 were the most ever recorded for the month of September.

US woos Germany over radar satellites

By Michael Lindemann

Bonn said yesterday it had received a "very attractive US offer" to co-operate on a series of reconnaissance and radar satellites, possibly jeopardising a planned joint venture with the French.

The US is believed to have made Germany the offer in the hope of scuttling talks between the Germans and the French on the development of a new generation of French Helios satellites. The Franco-German talks have been going on for more than a year.

Officials said that Germany had access to information gathered by US spy satellites, and the US wanted to keep Germany in its sphere of influence.

An official in Bonn indicated that, under the terms of the US offer, Germany would purchase US equipment, but there was also scope for some German input into the project. France might also be involved, but that would "not necessarily" be the case, he added.

The Franco-German project would involve the two sides creating a joint company to build a Helios II infrared satellite and a further generation of radar satellites dubbed Ostris.

However, the German official indicated that the talks between the two sides had stalled on questions of financing and project leadership. The Germans, who claim leadership in radar satellite technology, want the radar satellite project to be based in Munich.

Germany said it was ready to spend DM2.2bn (9.36m) over an unspecified number of years to develop the radar satellite. Up to DM1.7bn is earmarked for the various Franco-German projects, including radar, reconnaissance and infrared satellites.

The satellite programmes are among a number of projects which the embattled German aerospace industry hopes will be confirmed soon.

Daimler-Benz Aerospace (Dasa), which represents about 50 per cent of the industry, is pressing the government to bring forward several military projects so that the company does not have to lay off staff.

Dasa was badly hit by the fall of the dollar against the D-Mark earlier this year. Most of its earnings are in dollars.

According to an internal report leaked in August, the company is planning to shed 15,000 jobs.

Mr Manfred Bischoff, chief executive, said yesterday in Bonn, however, that such figures were exaggerated.

Mr Volker Rühe, defence minister, told a high-level meeting of ministers and aerospace executives that he was committed to buying 140 Euro-fighter aircraft and underlined his commitment to other military projects.

These include the Tiger attack helicopter, which is to be ready by the year 2001, and the NH-90 transport helicopter, which is to be ready by 2003.

Austria squares up to a December election

By Ian Rodger in Zurich

Austria's parliament voted to dissolve itself last night, clearing the way for a general election, expected to be held on December 17.

The decision to hold a fresh election came in the wake of the collapse on Thursday of the year-old governing coalition of the Social Democratic Party and the conservative Austrian People's party.

The two parties, which have ruled the country since 1988, fell out over measures to reduce the deficit on next year's federal budget.

Mr Franz Vranitzky, the chancellor, said yesterday he would probably quit if his Social Democratic party did not emerge again as the strongest party.

"I would seriously consider resigning from politics if my party did not get the most votes in the next election," he said.

Opinion polls indicate a close race involving the two ruling parties and the right-wing Freedom party, led by the populist Mr Jörg Haider. Each appears to have the support of

between 25 and 30 per cent of the voters.

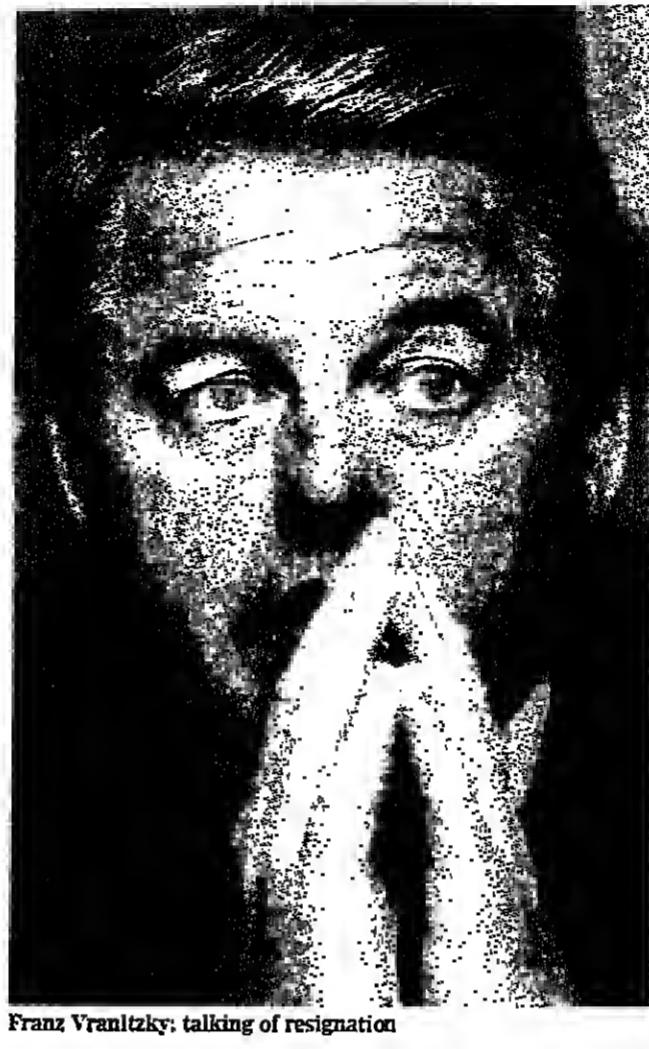
Mr Vranitzky also ruled out accepting the position of vice chancellor, a post he would most likely be offered if the Social Democrats became a junior partner in a new governing coalition.

A soft-spoken banker turned politician, he has been a popular and moderate chancellor since 1986.

Parliament votes to dissolve itself after Austria's ruling coalition collapses

But he was stunned by the decline in his party's popularity to a post-war low of 35 per cent in last October's general election, and has appeared much less confident since then.

Mr Vranitzky said that he would use his re-election campaign to show Austrians the danger of a potential alliance between the People's party



Franz Vranitzky: talking of resignation

Lively Yeltsin rounds on his ministers

By John Thornhill in Moscow

An animated President Boris Yeltsin yesterday reassured his pre-eminence in Russian politics, promising a peaceful solution to the conflict in Chechnya and striking a number of populist themes on the economy and crime ahead of December's parliamentary elections.

In a lively meeting with the leaders of Russia's republics, Mr Yeltsin said he would resist all provocation from Chechen guerrillas and press ahead with plans to reconstruct the devastated republic and ease the financial plight of its people.

"The political stability in the country will depend on the situation in Chechnya," he said.

Mr Yeltsin has conspicuously ignored the advice of Russia's defence and interior ministers, who have demanded a forceful response in Chechnya since a recent upsurge in violence left several Russian troops dead and a senior commander severely wounded.

Mr Yeltsin also roundly on other ministers yesterday, picking holes in next year's budget and expressing concern about the criminalisation of politics. His press spokesman told the Interfax news agency that Mr Yeltsin had strongly criticised the government for not maintaining regular payments of pensions and wages

and failing to protect investors' interests.

In an apparent attempt to break out of the somnolence that has enveloped his presidency in recent months, Mr Yeltsin has adopted an increasingly nationalist tone.

This month Yeltsin looks presidential and like a man who wants to remain in power. Last month when he was playing tennis in Sochi he didn't," one western diplomat said.

Most of Mr Yeltsin's statements yesterday lacked detail, but he promised the republic leaders he would increase federal spending on Russia's regions from Rhs15,000bn to Rhs38,000bn (\$5.3bn) next year.

He also announced changes to the tax regime designed to ensure that regional governments have an incentive to contribute more to the federal budget.

Mr Yeltsin has said he will remain aloof from December's parliamentary elections, in which communists and nationalists are expected to do well. But behind the scenes he has encouraged the formation of moderate political blocks in an attempt to marginalise the extremists.

The parliamentary elections are unlikely to impinge directly on the president's authority but will set the tone for the more important presidential poll due next June.

He estimated that corrupt government officials assisted at least a quarter of Russia's criminal gangs.

He said that corruption was a destabilising factor in the country," Mr Baturin said.

He estimated that corrupt government officials assisted at least a quarter of Russia's criminal gangs.

He said that corruption was a destabilising factor in the country," Mr Baturin said.

He said that corruption was a destabilising factor in the country," Mr Baturin said.

He said that corruption was a destabilising factor in the country," Mr Baturin said.

He said that corruption was a destabilising factor in the country," Mr Baturin said.

He said that corruption was a destabilising factor in the country," Mr Baturin said.

Real threat to Russia is crime, officials warn

By Chrystia Freeland in Moscow

Organised crime and corrupt government officials pose a greater threat to Russia than any external menace, Russian leaders said yesterday.

Russian officials have often dismissed concerns about rising crime as an invention of the media, but yesterday's statements were an explicit, public acknowledgement of the extent to which crime and corruption permeate Russian society.

The comments lend credence to warnings by some western and Russian observers that, instead of becoming a liberal market economy, post-communist Russia could develop into a field of organised criminals, working in co-operation with the government.

The comments lend credence to warnings by some western and Russian observers that, instead of becoming a liberal market economy, post-communist Russia could develop into a field of organised criminals, working in co-operation with the government.

The comments lend credence to warnings by some western and Russian observers that, instead of becoming a liberal market economy, post-communist Russia could develop into a field of organised criminals, working in co-operation with the government.

The comments lend credence to warnings by some western and Russian observers that, instead of becoming a liberal market economy, post-communist Russia could develop into a field of organised criminals, working in co-operation with the government.

The comments lend credence to warnings by some western and Russian observers that, instead of becoming a liberal market economy, post-communist Russia could develop into a field of organised criminals, working in co-operation with the government.

The comments lend credence to warnings by some western and Russian observers that, instead of becoming a liberal market economy, post-communist Russia could develop into a field of organised criminals, working in co-operation with the government.

The comments lend credence to warnings by some western and Russian observers that, instead of becoming a liberal market economy, post-communist Russia could develop into a field of organised criminals, working in co-operation with the government.

The comments lend credence to warnings by some western and Russian observers that, instead of becoming a liberal market economy, post-communist Russia could develop into a field of organised criminals, working in co-operation with the government.

The comments lend credence to warnings by some western and Russian observers that, instead of becoming a liberal market economy, post-communist Russia could develop into a field of organised criminals, working in co-operation with the government

NEWS: INTERNATIONAL

India to be third biggest rice exporter

By Shiraz Sidhu in New Delhi

India, which struggled for decades to achieve self-sufficiency in foodgrains, is set to become the world's third largest exporter of rice in the next financial year, according to agriculture ministry officials.

Aided by eight consecutive good monsoons, and the recent liberalisation of exports of all varieties of rice, India exported 800,000 tonnes of rice in 1994-95.

Thailand and Vietnam, now the second and third largest exporters after the US, had short crops this year, boosting India's position.

Officials estimate that rice exports will cross the 2m tonnes mark by the end of this financial year on March 31.

"For the first time, farmers are growing crops specifically for export and are using techniques to increase crop yields," says a senior official in the agriculture ministry. "We estimate a 30 per cent increase in exports annually, provided there are reasonably good harvests."

Mr Balram Jakhar, India's agriculture minister, said recently: "We have ensured abundant availability to domestic consumers, and now our goal is to boost foreign exchange earnings and ensure more remunerative prices for farmers."

India's rice finds its way to markets in Bangladesh, the Middle East, Europe and Africa, North and West Africa, which are comparatively new markets, account for nearly 60 to 70 per cent of non-basmati rice exports.

India has not yet reached an agreement to export rice to China, which planned to import 2m tonnes of rice this year. But officials say some Indian rice is exported to China through indirect chan-

Japanese economy 'to recover next year'

By William Dawkins in Tokyo

Japan's economy is expected to recover early next year in response to record low interest rates, a weaker yen, and increased public spending, the government's chief economic forecaster said yesterday.

Mr Isamu Miyazaki, director general of the Economic Planning Agency, predicted continued stagnation at least until the end of this year, but pointed out that corporate capital spending, which tends to lead broader activity, is showing signs of modest recovery.

His comments accompanied the EPA's latest monthly report, which gave a bleak picture of the present state of the economy. Separately, a leading credit research agency, Teikoku Databank, announced a record Y14.68bn (£30m) in bankruptcy liabilities in the six months to September, the consequence of a chain reaction caused by the failure of two financial institutions in western Japan.

The economy still shows "signs of weakness," said the EPA report, the second month running in which it has used that term. It cited as evidence a continued rise in stocks of unsold goods and materials in the steel and chemicals industries, record unemployment, slower export growth and slower growth in housing starts. Steel and chemicals inventories both rose in response to weaker demand from the car and housing industries.

However, Mr Miyazaki was encouraged by growing investment in new plant in the electronics and machinery industries. "We will see greater capital spending in high technology industries, reflecting a new emphasis in Japan's economic structure," he said. The EPA report said that last month's Y14.22bn pump priming package and a record low official discount rate of 0.5 per cent would "combine well" to stimulate activity.

For the moment, however, the situation remains grim, as underlined by yesterday's report on bankruptcies. The number of corporate collapses in the first half of the fiscal year rose by 9.3 per cent to 7,549, the worst six monthly toll for nine years. They include 21 subsidiaries of Hyogo Bank and Kizu Shimyo of Kumiai, which collapsed in August.

dels.

A study by the national council of applied economic research earlier this year showed that the price of Indian rice, which accounts for over 10 per cent of India's agricultural exports, are sometimes as much as 64 per cent lower than international prices.

A record output of rice last year was augmented by 17m tonnes of buffer stocks in the granaries of the government's Food Corporation of India and other state-owned agencies.

Indian officials say the country's rice glut could not have come at a better time. An official in the agriculture ministry said: "The international market is plagued this year with floods in China and Thailand and licensing restrictions on rice shipments in Vietnam, which is seeking to lower its exports."

He estimated that world imports of rice this year will exceed 17m tonnes, a million tonnes more than last year's figure.

India's agriculture ministry has estimated that 1994-95 rice crop production will exceed 81.25m tonnes, an increase of 2.2m tonnes over the previous season.

The export of other agricultural commodities such as wheat, spices, cashew, oil meals, fruits, vegetables and marine products has also grown spectacularly over the last five years, with the value of agricultural exports increasing to Rs200bn (23.73bn) 1994-95 from Rs47bn in 1990-91.

But officials are worried that the bumper crops will strain India's poor infrastructure. "We need better storage facilities to minimise waste, better roads to transport the foodgrains, and larger ports to handle the increasing shipments," one official said.

US enjoys best of all economic worlds

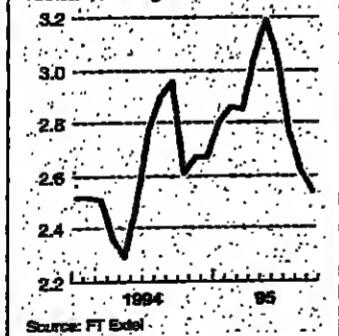
By Michael Prowse
in Washington

More evidence emerged yesterday that the US economy is enjoying low inflation and moderate economic growth.

The Labour Department said consumer prices rose 0.1 per cent last month, less than expected in financial markets. The rate of inflation dropped to 2.5 per cent a year, from 2.6 per cent in August.

Separately, the Commerce Department said retail sales rose 0.3 per cent between August and September.

US inflation



slightly more than forecasters expected. Excluding cars, sales rose a robust 0.7 per cent.

Share and bond prices rose sharply on Wall Street following the release of the figures, seen as further confirmation that the Federal Reserve has achieved a "soft landing".

"This is good news for business," said Mr David Wyss, chief financial economist at consultants DRI-McGraw Hill. "There is no inflation out there. Growth is continuing at a modest pace."

The consensus view is that the Fed is enjoying the best of all worlds. The jobless rate is 5.6 per cent - close to "full employment". The economy appears to be growing at about 2.5 per cent a year, close to its long-run potential. This means that growth is sufficient to keep unemployment low but not fast enough to put upward pressure on inflation.

Yesterday's retail figures showed strength in nearly all sectors except cars, which saw a setback after exceptional strength in August.

The consumer price index was held down by a large decline in energy prices and by modest declines in clothing and transport costs.

Time to walk tall for America's black men

Jurek Martin and Afshin Molavi on a controversial march in the footsteps of Martin Luther King

The O.J. Simpson verdict did more than just free a former football star from jail. It showed, yet again, that a chasm exists in US race relations, reflected in one commentator's remark that "blacks and whites might as well live on different planets".

But it is on this planet, in Washington DC on Monday, that the soul-searching national debate enters another dimension. It takes the form of the Million Man March, billed as a black male expression of "atonement, reconciliation, and responsibility".

The march is the brainchild of Mr Louis Farrakhan, the black American Islamic leader whose anti-Jewish and anti-white rhetoric provokes extreme reactions.

Turnout estimates range from 50,000 to 500,000. Rev Benjamin Chavis, ousted last year as NAACP chief under a cloud of embezzlement and sexual harassment.

The men-only stipulation has angered some black women, who argue that they should have a say in such an important forum.

As a concession, Ms Maya Angelou, the poet,

land, Mr Johnnie Cochran, O.J. Simpson's lawyer, and an impressive array of intellectuals will not, among them, retired General Colin Powell, Mr Bill Cosby, the entertainer, some black big city mayors, and leaders of two of the largest black Baptist organisations comprising more than 10m people.

Members of the National Association for the Advancement of Colored People, the oldest civil rights organisation, are lukewarm, possibly because one of the key architects of the event is Rev Benjamin Chavis, ousted last year as NAACP chief under a cloud of embezzlement and sexual harassment.

The march certainly illustrates these divergences. Its critics, black and white, complain that excluding whites further exacerbates racial divisions, as does Mr Farrakhan's leading role in it. He did nothing to cool the atmosphere in a recent television interview in which he virtually demanded apologies from whites and Jews for past discriminations against blacks.

On the other hand, Mr Farrakhan and his Nation of Islam acolytes, with their short hair and bow ties, have won respect for their discipline and exhortations to black men to take responsibility for themselves, their families and their crime-ridden communities.

The future of young black

and Rosa Parks, the ageing mother of the civil rights movement, have been asked to speak.

President Bill Clinton may also get in on the act, though not in person. He may use a Monday speech in Texas to reflect on the state of race relations. "I thought I knew a lot about how people of different races viewed things in America," he told a press conference last Tuesday, "but I have been surprised by the depth of divergence in so many areas."

The Million Man March certainly illustrates these divergences. Its critics, black and white, complain that excluding whites further exacerbates racial divisions, as does Mr Farrakhan's leading role in it. He did nothing to cool the atmosphere in a recent television interview in which he virtually demanded apologies from whites and Jews for past discriminations against blacks.

On the other hand, Mr Farrakhan and his Nation of Islam acolytes, with their short hair and bow ties, have won respect for their discipline and exhortations to black men to take responsibility for themselves, their families and their crime-ridden communities.

The future of young black



Louis Farrakhan: making a statement to the world

men in America is certainly grim. One third of those aged 20-29 are in prison, on parole, or under some sort of judicial supervision, a recent survey found.

Black men live seven years less than their white counterparts and those who live in some of America's inner city ghettos are fortunate to celebrate their 40th birthday, according to a Harlem Hospital study.

Comparisons are inevitable

we did then was right. But this whole O.J. case and the blacks cheering the release of a wife-beater and possibly a murderer leaves me uneasy. And this new Farrakhan march, I don't know, it seems kind of threatening. Things just don't feel right."

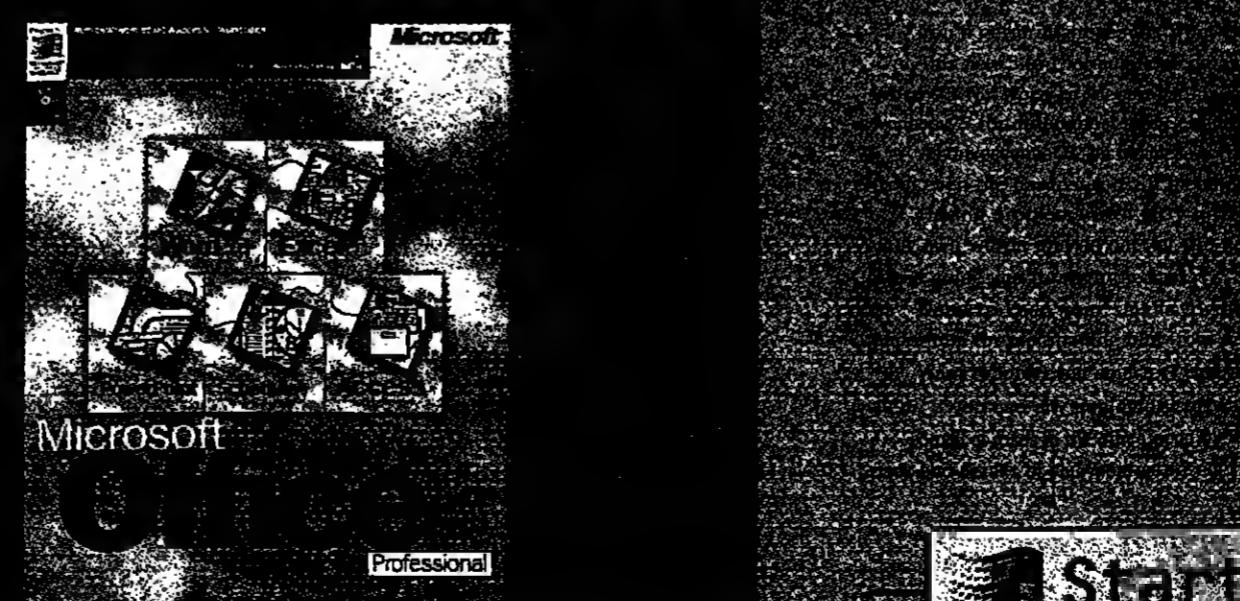
"I think white America can finally see what we have felt for so long," says Dr Richard Majors, author of *Cool Pose: The Dilemmas of Black Manhood in America*, that the justice system is stacked against us. In the O.J. case, we cheered because one of our own finally beat the system. Hopefully, this will lead to a more serious dialogue on both sides."

However, "serious dialogue" runs the danger of being overtaken by fringe extremist rhetoric alongside the Million Man March. It is preceded by a two-day talk-in entitled "Black Holocaust Nation Conference", staged with Mr Farrakhan's blessing and featuring a range of inflammatory speakers.

Dr Majors, who backs the march, says: "While I do not agree with everything Minister Farrakhan says, self-reliance, responsibility, community-building, political activism, atonement - these are all worthy goals, an important message."

The danger lies in "an important message" being lost in the din and noise over a controversial messenger.

For brighter-looking white collars, try this in your machine.



Title: (Mr/Mrs/Miss/Ms/Or) _____ First Name: _____ Surname: _____

Job Title: (if applicable) _____ Company Name: (if applicable) _____

Address: _____

Town: _____ County: _____ Postcode: _____

Telephone Number: (inc. STD code) _____

© Copyright Microsoft 1995. Microsoft, Windows and PowerPoint are registered trademarks and "Where do you want to go today?" and IntelliSense are trademarks of the Microsoft Corporation in the US and/or other countries. Office 95 has specific system requirements, please check before purchasing.

Where do you mainly use your PC? Home Work Both No. of PCs on site: 1-9 10-19

20-49 50-99 100-249 250-499 500-999 1,000-2,499 2,500-9,999 10,000+

Within your organisation, are you responsible for either setting software policy, or technical evaluation or purchase of software? Yes No

Do you have either major or some influence in software purchases? Yes No

Would you like your details passed to your nearest reseller? Yes No

Please return to: Microsoft, Freepost BS4335, Bristol BS1 3YX.

Microsoft and its marketing partners would like to inform you of future products and offers. If you would prefer not to receive this information, please tick here

819

NEWS: UK

Samsung moves European base to London

By Alan Cane and Andrew Taylor in London

Samsung, South Korea's largest engineering group, is to relocate its European headquarters from Frankfurt to London. Up to 500 jobs could be created by the year 2000 on a site in Hounslow, west London, formerly owned by Trico, the windscreens wiper manufacturer. Samsung is believed to have paid about £28m (\$32.64m) for the site. Trico relocated to south Wales about two years ago.

Mr Daniel O'Brien, managing director of Samsung's electronics manufacturing group in the UK, said a strong

relationship between the Samsung group and local and central government had played a big part in the decision.

Other reasons included London's role as Europe's leading financial centre, good air and rail links, an excellent telecommunications infrastructure and the English language.

The Korean company, advised by commercial property agents Jones Lang Wootton, has also expressed an interest in buying an adjacent site previously occupied by Rank Audio and owned by P&O Developments.

Samsung plans to erect a series of buildings totalling about 150,000 sq ft

on the nine acre former Trico site. Construction costs are expected to be £25m to £30m. Construction is expected to start next year and be complete before 2000.

The site is likely to be heavily landscaped including a Korean garden, creating a smaller version of Samsung's corporate headquarters in Seoul. Contracts for the construction work have yet to be let.

Samsung said earlier this year that it intended to relocate the headquarters to Britain, but had not named a site. Hounslow Initiative, inward investment agency for the London borough of Hounslow, was instrumen-

tal in putting the deal together between Samsung and Trico.

The choice of London was announced as Queen Elizabeth II was opening a £450m Samsung manufacturing facility in Cleveland, northern England. When complete, the facility, which makes microwave ovens and computer monitors, will represent the largest investment by a Korean company in the UK.

Samsung already manufactures heavy construction plant elsewhere in northern England, which is believed to be a leading candidate for a semiconductor plant that the company plans to build in Europe in

the next few years. The UK is becoming the principal overseas base for South Korean companies as they move to develop new and existing manufacturing sites in response to the threat of anti-dumping duties proposed by the EU.

London was last week voted Europe's top business location in a survey of directors of 500 leading European companies. The survey by international property consultant Healey & Baker as executives to rank sites according to access to markets, domestic and international transport links, cost and availability of staff and property.

UK NEWS DIGEST

Little Brown buys rights to Leeson book



Mr Nick Leeson, the former Barings trader responsible for the bank's collapse, yesterday sold the book rights to his story for a reported £450,000 (\$706,500). The rights have been bought by the British offshoot of the US publisher Little Brown UK, said Mr Stephen Pollard, a lawyer for Mr Leeson. He did not dispute the figure of £450,000. Mr Pollard said Mr Leeson's first priority with the money would be to pay legal bills run up fighting the Singapore government's attempt to extradite him from Germany. Ms Philippa Harrison, managing director of Little Brown UK, said the manuscript covered the last two years of Mr Leeson's career. *John Mason and Raymond Snoddy*

Insurer heads for flotation

Norwich Union, one of the UK's largest insurers still owned by its policyholders, set course for a possible stock market flotation which would enable it to make large acquisitions. Mr Allan Bridgewater, group chief executive, said changing from mutual ownership to a quoted public company would produce a much more flexible financial structure. "We have no specific plans for an acquisition but you can read into the more flexible financial structure what you will," Mr Bridgewater said. A flotation would almost certainly not take place until the first half of 1997 at the earliest.

At present, Norwich Union is owned by its 250,000 policyholders. Life assurance and personal pension policies. If flotation proceeds, policyholders would get bonuses or free shares. Expansion might be outside the UK, and the group already has a significant presence in New Zealand. It also has operations in Australia, Spain, Italy and the Netherlands. *Alison Smith*

Financial Services Staff *Merger mania*, Page 9; *Lex*, Page 22

Society to close branches

Alliance & Leicester, the UK's fourth-largest building society, is cutting the number of its branches by more than a tenth. More than 40 branches are to close by the end of March next year, leaving a network of fewer than 350. A&L said 350 staff would be affected by the closures, of whom about 140 would be redeployed. The move to streamline its presence and cut costs is certain to intensify speculation that A&L is preparing the way to become a bank. Building societies are mutually owned savings and loans institutions. *Alison Smith*

Company to buy 1,000 buses

Stagecoach, the acquisitive Scotland-based group which has grown into Britain's largest bus company, has made what is thought to be the biggest single deal in the industry with an order for 1,000 new buses. The contract, worth £55m (\$106m), is for a mixture of full-sized and smaller vehicles. The biggest single order is for German-built Mercedes minibus chassis, and £55m of the business will be placed with UK companies. Mr Brian Souter, Stagecoach's executive chairman, said the order would increase the company's fleet to about 7,500 vehicles. In spite of its size, Stagecoach accounts for only about 13 per cent of the UK bus sector. Mr Souter identified growth potential at home and in planned privatisation of bus services in mainland Europe. *Holy Simonian*, *Motor Industry Correspondent*

Army lacks recruits

The army is considering using the Gurkhas to fill in gaps in infantry units because too few young people are applying to join the armed forces. Infantry regiments are particularly short of young recruits, as low morale following cuts in the forces has deterred potential applicants. Of those who do apply, many are not fit enough for active service. As a result, the infantry is 1,200 below its target strength of 24,000 troops.

To fill the gaps the army is thinking of drafting in Gurkha units, which are recruited from Nepal and have a reputation for being exceptionally fierce fighters. Their trademarks include a very fast marching pace and the kukri: a 12-inch curved knife which honour dictates must be used once it is drawn. One proposal being considered is attaching a company of 150 Gurkhas to Britain in order to bring the Parachute Regiment closer to full strength.

Bernard Gray, *Defence Correspondent*

Pet hate: Two brothers were cleared of wounding a breeder of pet hamsters because their hamsters were making too much noise. A court in the eastern England port of Hull heard that Mr Peter Evans and his brother Christopher had been annoyed by the noise made by the 28 hamsters. The prosecution alleged that the brothers, who were both drunk, attacked the animals' owner with a bicycle wheel and a knife. The judge dismissed the charge of wounding because there was insufficient evidence to say which of the brothers had used the knife.

From the press this week

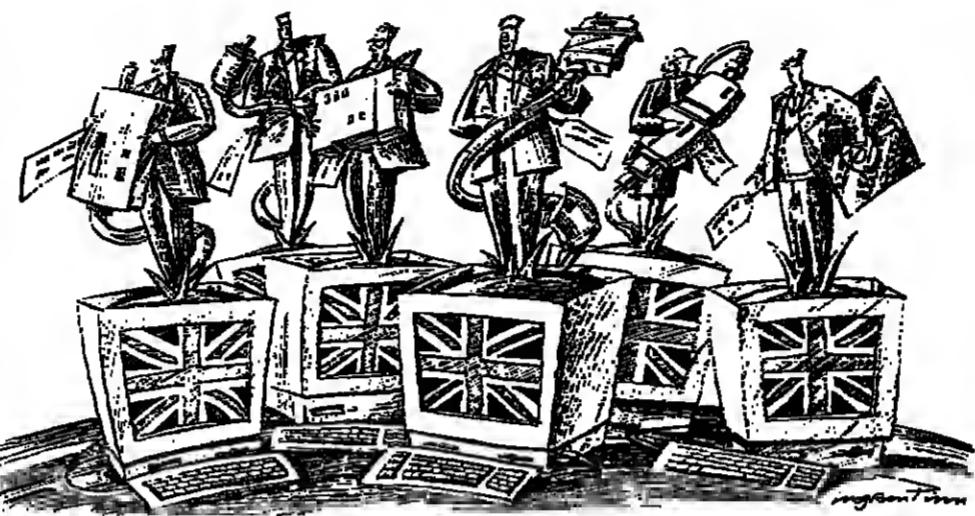
A woman about to withdraw money from a TSB Bank cash machine heard a voice shouting for help through the slot. The branch manager was trapped in a strongroom behind the machine in Chesham to the north-west of London. The woman agreed to arrange for his release, but only after the manager had agreed to waive overdrawn charges of £70 (\$110). *The Sun*, London

A carpenter who found more than 1,000 ancient coins in a field with a metal detector has been awarded a £44,000 (\$68,500) bounty by the British Museum. The money was paid even though the coins, found near Evesham in the English Midlands, were declared an inquest to be state property. Many were well over 1,500 years old. *The Birmingham Post*

Sir Paul Condon, Commissioner of the Metropolitan Police Force which covers most of London, said in a television interview that he opposed routine arming of the police even though officers were more at risk than ever from violence. "I have no doubt that we will be arming more police officers as it goes by, but in a controlled way, in a way that they are specially selected, specially trained, are monitored and can handle the situation." *Evening Standard*, London

High score for software geniuses

Richard Gourlay watches the rise of Britain's computer millionaires



Mr Fergus McGovern, 30-year-old creator of the demon sorcerer Shant Tsung and a screenshot of other computer game software-baddies, has broken through to a new level - by selling his company for a sum believed above £20m (\$31m). Shant Tsung, like Sub Zero and Reptile, is a character in Mortal Kombat, one of the 'beat 'em up' computer games designed by Mr McGovern's Probe Entertainment. Mr McGovern, who sold his first games from the offices of a building company where he was training to be a chartered surveyor, this week swapped Probe for shares in Acclaim Entertainment of the US. Probe, which has annual turnover of £1m, has developed more than 400 games in 11 years. As

used in films such as *Jurassic Park*. Some people say the sort of individualism vital for software creation is rooted in the British psyche. Others have a more down-to-earth explanation, saying that Sir Clive Sinclair's Spectrum computer of 15 years ago helped to foster a generation of games software writers.

This view is shared by Mr Fergus McGovern, 30, the owner of Probe Entertainment who this week sold his company to Acclaim Entertainment of the US for a price believed to be in excess of £20m. "Kids would ask their parents for a computer for their homework when they really wanted it for the games," says Mr McGovern. "When you got bored you could use the keyboard to make the games yourself."

Mr McGovern joins a long line of young computer game entrepreneurs who have joined or sold their companies in recent years.

Mr Chris Stamper and his brothers sold a 35 per cent stake in their company, Rare, to Nintendo earlier this year. Few of the high-tech entrepreneurs have any illusions about how quickly technology changes or how transient their market lead might be. Yet there is a resurgent optimism about the UK's new technology industries.

Lucas Aerospace Questions remain over role in a shrinking industry

'You need to be big in the US'

By Michael Skapinker, Aerospace Correspondent

Lucas Industries has spent much of this week denying that its aerospace division was up for sale. Many in the industry refused to believe this. If the aerospace division was not for sale now, they said, it would be eventually.

At its annual results presentation, Lucas announced that the aerospace division had contributed only 17 per cent to total sales of £2.95bn (\$4.69bn). It also said Mr Frank Turner, the division's managing director, was leaving.

But the strongest prompt for rumours of a sale appeared to come from statements by Mr George Simpson, chief executive, who said: "We will have to look and see if we can support all the activities we are in." He added: "If you're going to be big in aerospace you need to be big in the US and you need to be big in defence."

While Lucas insisted it was wrong to conclude from this that it would sell its aerospace division, Mr Simpson's central contention won support from analysts and industry managers: you have to be big to survive in aerospace industry and you need to win US defence contracts.

There are exceptions. If an aerospace company is not large, it needs to be specialised. There appears little room for medium-sized companies with several activities.

The difficulty of surviving in the aerospace industry arises

from the reluctance of many civil carriers to order new aircraft in spite of improved airline profitability.

An added pressure is intense competition, which is depressing selling prices. There is competition between three large engine manufacturers (General Electric and Pratt & Whitney of the US and Rolls-Royce of the UK) and two aircraft makers (Boeing of the US and Airbus Industrie, the European consortium).

Problems on the defence side arise from falling military expenditure worldwide and the resulting consolidation of arms manufacturers, as shown by the merger earlier this year of two US groups, Lockheed and Martin Marietta.

Several UK groups have expanded their US defence activities on the grounds that, in a contracting international arms industry, it remains by far the biggest market. Last year, 60 per cent of Smiths Industries' aerospace turnover came from the US.

Rolls-Royce this year completed the purchase of Allison Engine of the US as a means of increasing its ability to compete for defence contracts there. Mr John Rose, managing director of Rolls-Royce's aerospace activities, says the purchase gives his group better access to US government contracts.

Moore says there are technological advantages to being involved in the US defence market. Many US military projects use advanced technology

for which contractors can then find civil applications.

British Aerospace is one UK company which appears to have succeeded by concentrating on Europe rather than the US. In 1994, only 23.3m of the group's £7.2bn sales came from north America. BAE has a 20 per cent stake in Airbus, for which it makes wings and other components.

Mr Peter Deighton, an analyst at Smith New Court, says it is difficult for companies to rely on Europe for success if they do not have this level of

prominence in Airbus.

Many UK companies have found it difficult to become subcontractors to the larger Airbus partners. "If you're not a primary shareholder it's hard, because the politics get in the way," says Mr Deighton.

Lucas says that, far from selling its aerospace division, it might, in a few years, make an acquisition. If it does not, analysts believe Lucas will fall into the category of companies that are too small to compete and too large to be niche specialists.

COUNTY HALL 1 BEDROOM LUXURY APARTMENTS
FROM
\$99,000
NO DEPOSIT*
ON 1 & 2 BEDROOM APARTMENTS
SEE PAGE 9 IN WEEKEND FT FOR DETAILS
*Subject to status, available on selected flats only.

COUNTY HALL
WILMSLOW ROAD, MANCHESTER, M15 5JL
0161 321 1000

FOR FURTHER INFORMATION
GALLARD HOMES LIMITED
FREEPHONE 0800 545656 • SALES TEL: 0171 620 1500

KR KNIGHT-RIDDER'S FUTURES MARKET DATAPAK FOR ONLY \$695
• The best futures market data service.
• A full price futures market data service.
• 12,000 words of data and software for just \$695 plus postage and packing.
More information via Internet, tel: 0171 312 0000. England Tel: +44 171 312 0000.

Argus Fundamentals

"Understand what is driving oil prices"

CALL FOR FREE TRIAL TO THIS MONTHLY PUBLICATION: +44 171 359 3522

OFFSHORE COMPANIES
Established in 1975 OCSA has 20 offices world wide, 750 ready-made companies available. For 100 page FREE colour brochure.
London Tel: +44 181 875 5544
Brisbane Tel: +61 7 325 1096
Hong Kong Tel: +852 252 20172
USA Kevin Kimes, Tel: +1 714 854 3344
Fax: +1 714 854 8587

PROPERTY FINANCE SOURCEBOOK
1995/96
WHY PAY EXPENSIVE FEES?
WITH THIS BOOK YOU ARE THE EXPERT
CONTACT ESTATES GAZETTE
0171 411 2651

مكتبة من المكتبات

COMPANY NEWS: UK AND IRELAND

Statoil set to launch Aran bid

By Tim Burt

Statoil, the Norwegian state oil company, is expected early next week to announce an offer for Aran Energy, trumping a £182m bid by Atlantic Richfield of the US.

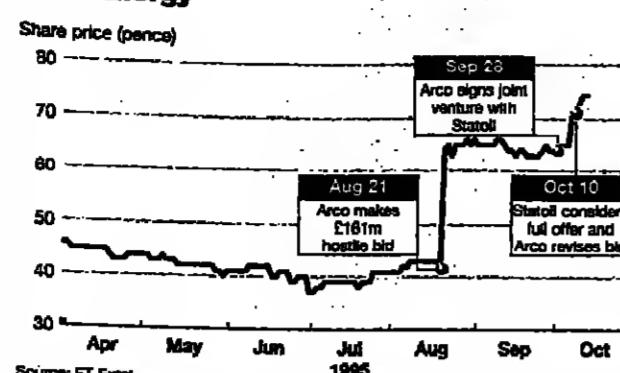
The Scandinavian group, advised by Chase Investment Bank, is thought to be considering a cash offer valuing Dublin-based Aran at around £205m-£220m.

Senior Statoil officials were discussing the terms with their financial advisers in London yesterday, before seeking board approval. It is expected to put the offer to Aran once it has been at a board meeting in Stavanger on Monday.

Earlier this week, Statoil – which has bank deposits and other liquid assets of more than Nkr5bn (£502m) – confirmed it was considering a "full cash offer" as part of its strategy to expand internationally.

Although it has been touted as a possible white knight, it

Aran Energy



remained unclear whether its offer would be made as part of an agreed takeover.

Aran said it had not been approached by Statoil since it announced its interest on Monday.

Industry analysts predicted Statoil would offer between 75p and 80p a share for Aran, including a significant premium for its unexploited reserves in the Schiehallion

field off the Shetland Islands and the exploration acreage in the Atlantic margin.

Such an offer would be 15 per cent above Arco's bid, which was increased from 61.4p a share to 69.4p earlier this week.

Mr Terry Dallas, corporate treasurer at Arco, said: "Aran's shares were unchanged yesterday at 75.4p."

tion process where two technically sophisticated companies can come to a decision on the fair value for Aran.

"We now have to wait and see what Statoil decides to do."

He also called on Aran shareholders to block a proposed joint venture between Statoil and the Irish group to exploit the Connemara field, west of Ireland.

The US group branded the joint venture in the Connemara field as a "blatant attempt to frustrate" its bid.

Aran, however, has defended the venture and urged shareholders to reject the Arco offer, which it described as inadequate.

Mr Michael Whelan, chairman, has written to investors saying: "Arco's comments on the Aran/Statoil agreement are absurd and self-serving and are irreconcilable with our views [it] previously expressed."

Aran's shares were unchanged yesterday at 75.4p.

Scholl questions rebels' sale plans

By David Blackwell

Scholl said yesterday that it was "abundantly clear" that rebel shareholders seeking the sale of the healthcare products group had "received no approaches of substance".

The group also said that Mr Julian Tinger and Mr Brian Myerson of Active Value Advisors, who are seeking to join the board at an extraordinary meeting, had "further demonstrated their unsuitability as non-executive directors".

Scholl's attack followed close on the heels of the rebels' second statement of the week to the Stock Exchange on the nature of possible bidders.

The Takeover Panel sought clarification after Mr Tinger said at the beginning of the week that there had been approaches from four parties.

On Wednesday the rebels said that they had received a direct approach from a private French pharmaceutical group, and three others from financial intermediaries. Scholl shares closed at a high for the year of 24.4p on Thursday.

Yesterday the rebels said the approaches were "highly preliminary" and confirmed that they were "not currently" in active negotiations relating to Scholl. The shares shed 12p to close at 23.2p, unchanged on the week.

After talks with Active Value and J.O. Hambré, which hold 15 per cent of Scholl, the Takeover Panel has decided not to declare Scholl in an offer period, yesterday's statement said.

At the EGM on October 24 the rebels will seek to replace three non-executive directors – Mr Tom Long, Mr Tim Howden and Mr Colin Keith.

The board wrote to shareholders last week attacking the attempt to force a sale to a larger consumer products group as "misconceived, damaging and disruptive".

Three people taking their car on a day-return trip through the tunnel and buying a bottle of whisky and 200 cigarettes each on both the outward and return journeys would be £20 better off than on a ferry, Mr Chazot calculates. They would pay more for their ticket but save on their duty-free purchases.

He is puzzled by the ferry operators' decisions to increase sailings and concentrate capacity on the Dover-Calais route.

"The ferries should have pushed people away from Dover-Calais, where we are in direct competition," he says. "When the ferries reduce capacity, as they inevitably will, we will be there to pick up our passengers."

The ferry companies acknowledge that they cannot sustain present levels of capacity, but they have been encouraged by the strong growth in demand. Customers still want the restaurants, the sea view and the chance to stretch their legs while the tunnel is fixed, the ferry companies have a choice: they can move their vessels to other routes.

Glenchewton, the import and distribution group, is branching into pub operating through the purchase of a 16-strong chain in the home counties in a £6.1m deal.

In May when it sold its Dekerloos offshoot, the company said it would concentrate on its core housewares side.

Mr Matt McBride, chief executive, yesterday explained the seemingly tangential move as fitting its "acquisition criteria".

The purchase, Country Style Inns, has a bias towards food rather than drink sales. "We believe this is the fastest growing sector of the public house trade," Mr McBride said.

He described the chain, founded in 1989 by two former Whitbread employees Mr Ian Glynn and Mr James Campbell, as an established business "with a number of outlets that have yet to reach maturity".

Initial consideration is £2.35m in cash and shares and the repayment of £2.8m in borrowings. Mr Glynn and Mr Campbell have been offered new service agreements.

In the year to February 26, Country Style doubled turnover to £6.2m but incurred pre-tax losses of £695,000 after a £470,000 asset write-off.

NEWS DIGEST

Management buy-in at AAH arm

AAH, the pharmaceutical wholesaler taken over in May by Gehe of Germany in a £400m contested bid, has sold its AAH Environmental Services to Servicecast, a management buy-in vehicle, writes Martin Brice.

Servicecast is led by Mr Peter Hodgson, a non-executive chairman of HAT Property Services and Mr Mushtaq Malik, former director of the Lewisham local authority's direct service organisation.

The deal involves £32m of financing which was arranged by St, the investment capital group, and ECI, the independent private equity investor.

The sum included "a substantial amount of expansion capital," according to Mr Paul Marson-Smith of St.

The company's main operation, the contract services division, employs 2,500 and operates in refuse collection, grounds maintenance and sweeping.

Mr Marson-Smith said AAH Environmental had about 125 existing contracts and since the deal was completed at 3am on Thursday had tendered for

several more. It turned over about £70m a year and the management hoped to float it within five years.

Carlton views India

Carlton Communications, the media group, is investigating the possibility of launching a satellite television channel in India which would be devoted to Indian films and entertainment, writes Raymond Snoddy.

Carlton executive Mr Robin Paxton, a former head of factual programming at London Weekend Television, has been sent to India. His brief is to get to know the local television market and to try to find possible partners to launch a channel.

Carlton has for some time been looking at Asia as a possible market.

India has attracted media groups because of the size and spending power of the middle class, the rapid development of satellite television and moves towards liberalisation on foreign investment.

Earnings per share were 0.8p (0.74p) and the interim dividend is maintained at 0.05p.

• Biscchi Mining, the property and mining finance company in which LAIT has a 42 per cent holding, reported interim pre-tax profits lower at £55,000, against £193,000 which included an exceptional credit of £141,000.

Gross income was £279,000 (£265,000). Earnings per share were 0.89p (1.72p).

Auto Security

Automated Security (Holdings), the electronic security group, yesterday announced a 52 per cent fall in pre-tax profits, from £1.5m to £1.25m, for the three months to August 31.

Gross income was £279,000 (£265,000). Earnings per share were 0.89p (1.72p).

Colorvision could lose consumer credit licences

By David Blackwell

The Office of Fair Trading yesterday threatened to withdraw the consumer credit licences of Colorvision, the Liverpool-based television and video retailer.

The shares fell 15 per cent after the OFT issued a notice that it was "mined to revoke" the licences following customer complaints. The group, which makes up in half its sales under credit arrangements, has 21 days to convince the OFT of its fitness to keep them.

The group also said that Mr Julian Tinger and Mr Brian Myerson of Active Value Advisors, who are seeking to join the board at an extraordinary meeting, had "further demonstrated their unsuitability as non-executive directors".

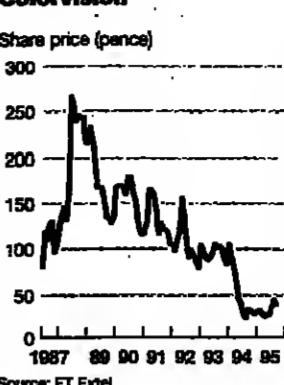
Scholl's attack followed close on the heels of the rebels' second statement of the week to the Stock Exchange on the nature of possible bidders.

The Takeover Panel sought clarification after Mr Tinger said at the beginning of the week that there had been approaches from four parties.

The shares closed down 7p at 40p – far below the 250p reached in May. The group was then one of the darlings of the USM and was fanned for its company song – Izzy Whizzy let's get busy.

Since then the recession and

Colorvision



Of the customer complaints cited in the Colorvision notice, 30 were made to local trading standards officers between November 1989 and November 1993. Another 13 were made last year, and the group was convicted in 12 trading standards cases between May 1989 and July this year.

Mr Tinger said that the convictions related to misleading newspaper advertisements and the biggest fine was £4,000 in 1992. The law was specific on the relative size of type for prices, APRs and other costs.

The number of cases reflected the company culture, under which managers took a stake in their shops. Instead of advertising in a single national newspaper, the group had taken and through its branches in hundreds of different local newspapers.

He was astonished at the action of the OFT, which had renewed the consumer credit licences for five years from September 1993. "We have developed our procedures, training and manuals since then, and we would have expected the OFT to contact us if there was any problem."

NW Water shareholders approve bid for Norweb

By Matt Finnegan

Shareholders in North West Water yesterday approved the company's bid for Norweb, the regional electricity company, at an EGM in Manchester.

Fewer than 500 of North West's 95,000 shareholders attended to vote overwhelmingly in favour of the takeover, the two-stage rights issue and the new name for the merged company, United Utilities.

The company's revised bid of £1.83m, or 11.70 a share, will now be put in detail to shareholders in a postal ballot.

Some shareholders protested about the price and questioned whether savings, which analysts estimate at up to £50m a year, could be made by merging the two companies.

Mr Trevor Bennett said: "I stand to make a hell of a profit, but I think the price is too high."

Mr Chris Green said he feared consumers would suffer from the creation of a giant monopoly and that more defaulters would be cut off.

Mr Brian Staples, North West's chief executive, admitted



Members of Unison, the public service union, dressed as 'fat cat' costumes outside the meeting to highlight their 'claws for concern' about the takeover, which they claim will cost 5,000 jobs.

that the takeover, which Norweb is recommending, would involve job losses and result in lower bills for water and electricity customers from 2000 onwards.

He said: "The merger of North West Water and Norweb will create new jobs and result in lower bills for water and electricity customers from 2000 onwards.

Mr Trevor Bennett said: "I stand to make a hell of a profit, but I think the price is too high."

Mr Chris Green said he

feared consumers would suffer from the creation of a giant monopoly and that more defaulters would be cut off.

Mr Brian Staples, North West's chief executive, admitted

that the take-over, which Norweb is recommending, would involve job losses and result in lower bills for water and electricity customers from 2000 onwards.

He said: "The merger of North West Water and Norweb will create new jobs and result in lower bills for water and electricity customers from 2000 onwards.

Pre-tax losses at the company, with interests including eight supermarkets and a car dealership on the Isle of Man, fell from £867,000 to £396,000 for the six months to July 2. Turnover dipped slightly to £13.9m. Losses per share were 0.87p (1.15p). Shareholders funds dropped from £37.3m to £35.5m.

Shoprite said that trading would continue to be subdued, with a Marks and Spencer store due to open shortly likely to have an adverse effect. EGMs for both the preference shareholders of Shoprite Finance and the ordinary shareholders are to be held shortly.

Shoprite offers limited preference repayment

By Christopher Price

Shoprite Group, the loss-making Isle of Man retail and property company, yesterday proposed to pay preference shareholders only two thirds of the redeemable value for the early surrender of their shares.

Preference holders of the Shoprite Finance subsidiary, whose £11m investments mature in 2009, had insisted on a redemption date of December 31 1995 as part of the agreement to sell Shoprite's Scottish discount stores to Kwik Save last year. The sale had been forced on the group following poor results.

The offer compares with the closing price of 11.5p on October 4, the day before Country Casuals announced that it might be the subject of an offer.

The offer of 6.7p per share, or 7.94p with an accrued final dividend, partly reverses a warning made by the company in June that it would be unable to honour its pledge to redeem the 6 per cent preference, due on November 30.

Turnover was static at £40.6m. Earnings per share fell from 1.3p to 0.8p.

Shoprite said it had made "every endeavour" to fulfil its obligations, but had been

unable either to raise sufficient funds through asset sales or to persuade bankers to lend the full amount. However, a smaller bank loan, the remainder of the proceeds from the Kwik Save sale and some small disposals had enabled the company to raise the £10m required should all preference holders opt to take the offer.

Pre-tax losses at the company, with interests including eight supermarkets and a car dealership on the Isle of Man, fell from £867,000 to £396,000 for the six months to July 2. Turnover dipped slightly to £13.9m. Losses per share were 0.87p (1.15p). Shareholders funds dropped from £37.3m to £35.5m.

Shoprite said that trading would continue to be subdued, with a Marks and Spencer store due to open shortly likely to have an adverse effect. EGMs for both the preference shareholders of Shoprite Finance and the ordinary shareholders are to be held shortly.

For further information contact GALLIARD HOMES LIMITED FREEPHONE 0800 545658 • SALES TEL: 0171 620 1500

Signal

Real-time U.S. & international quotes on over 90,000 issues

As low as \$9/day. Call today: 44 + (0) 171 600 6101

Europe's Dynamic

COMPANIES AND FINANCE

INTERNATIONAL NEWS DIGEST

French insurance group sales decline

Caisse Nationale de Prévoyance, the French insurance group scheduled for privatisation, yesterday reported stagnant turnover figures for the first half of the year in a sign that the rapid growth in the country's life assurance market may be under threat.

The group reported sales of FF139.56bn (\$7.95bn), largely derived from the sale of life assurance policies, down slightly from the level of FF139.60bn achieved in the first half last year.

Mr Pierre Darnis, chairman, warned that a decline across the life assurance sector was a "relative novelty" and predicted that after years of double-digit expansion, growth in revenues was likely to be below 10 per cent a year.

The trend is significant because a number of the diversified French insurance groups and a growing number of banks and other financial institutions have been relying on profits from life assurance sales as their other business divisions have suffered.

He added that other factors had also contributed to the stagnation of CNP's revenues from life assurance, including increased competition.

The group also experienced a loss in sales from the Post Office, which previously only sold CNP products, but from May introduced a rival product.

Sales through the Post Office declined 12 per cent to FF14.8bn, and through the Treasury by 7 per cent to FF2.5bn. They rose 12 per cent through the Caisses d'Epargne banking network, to FF14.2bn.

Mr Darnis said that, across the industry, life assurance sales had risen 2.8 per cent in the first half to FF122.8bn.

CNP's net income rose to FF7.71bn from FF7.62bn in spite of the decline in premiums, largely as a result of a rise in returns generated from funds invested, up from FF8.6bn to FF7.14bn.

Mr Darnis also said CNP needed to have an increase in its share capital of FF3bn at the time of its eventual privatisation in order to be well supported and meet regulatory solvency requirements.

Andrew Jack, Paris

ASX queries Coles Myer Restructure announcement

The Australian Stock Exchange yesterday expressed concern that Coles Myer, Australia's biggest retailer and the focus of institutional corporate governance concerns, may not have disclosed information about a big corporate restructuring plan "as quickly as required under the listing rules".

In particular, the ASX said it was concerned the company did not seek a trading halt ahead of the announcement's release, in spite of an ASX recommendation that it do so if news were pending. In the announcement, Coles flagged plans to split the group into a number of separately quoted entities, although it said this would take about a year to achieve.

In reply, Coles said that it had made the announcement within minutes of the conclusion of the board meeting, at which the plan was finalised.

The fracas is the latest in a line of woes for the Coles board. Institutions are pressing for the appointment of an independent non-executive chairman and a number of new non-executive directors.

On Thursday the Myer family, which owns an 8 per cent stake in Coles, indicated it would back the institutions' stance. Yesterday, the Coles family did likewise, saying that G. J. Coles – one of the two retailing groups which merged in 1985 to form Coles Myer – had been a company of high ethical standards and that these "must be restored" if Coles has any hope of unlocking its value.

Nikki Tait, Sydney

Rhino to raise £9m via rights as losses hit £6.7m

By Motoko Rich

Rhino Group, the lossmaking UK computer and video games retailer, yesterday launched its second rights issue this year as it unveiled interim pre-tax losses widened from £1.5m to £6.6m.

The group, which launched a £3.7m rescue rights issue in February, announced that it would be raising £5m through a S-for-6 issue of 117m shares at 8p each.

The shares eased 1.5p to close at 11p.

Rhino also announced a new strategic plan. Electronics Boutique, the US-based video game and software retailer which acquired a 35 per cent stake in Rhino through a tender offer in

Meetings on Gemina merger deal advanced

By Andrew Hill in Milan

Directors of the seven Italian companies involved in the controversial plan to merge Gemina, the investment company, and Ferruzzi Finanziaria (Ferfin), the holding company, were last night set to hold board meetings to discuss the deal.

The unexpected news of the meetings led to intense speculation that Gemina was poised to announce a management reshuffle, or even a corporate restructuring, to offset the impact of judicial investigation on the planned merger.

One possibility said to be under consideration was a demerger of RCS, Gemina's publishing and media subsidiary, which is at the centre of the investigation into alleged falsification of accounts.

Banks and small shareholders have suggested, however, that Gemina, which is controlled by Italy's largest companies, should postpone or cancel the planned deal.

A week ago, magistrates announced that 10 executives and former executives of Gemina and its subsidiaries were under investigation following heavy losses at RCS, 93 per cent of which is owned by Gemina. The RCS board is set to meet next Tuesday to discuss its financial and trading situation.

Analysts suggested yesterday that the group could announce the replacement of three of those under investigation – Mr Giampiero Pescenti, Gemina chairman, Mr Francesco Paolo Mattioli, the deputy chairman, and Mr Felice Vitali, managing director – and the appointment of an outsider in the new post of chief executive.

Apart from Gemina and Ferfin, board meetings were called by Montedison, the industrial company controlled by Ferfin, and by the four Fiat-controlled chemicals and bio-engineering companies, which the carmaker intends to transfer to the new merged group.

The companies had previously indicated that their directors would meet next week to discuss the terms of the merger.

April has taken effective management control. It plans to replace Future Zone, Rhino's retail brand name, with the Electronics Boutique logo, broaden the product sales mix, and invest in staff training. Rhino said its purchasing power would help it implement a low-pricing policy.

Electronics Boutique, which is underwriting the rights issue, said it would dispose of any shares which took it over a 30 per cent stake through Henderson Crosthwaite, broker to Rhino.

The group's turnover in the six months to June 30 rose to £18.3m (£17.5m), but like-for-like sales were down by about 25 per cent because of a sharp downturn in the European car

tridge video games market. In 1994, it was operating 77 stores; in 1995 that figure had risen to 112.

The group took an exceptional stock write-down of £1m and a £600,000 reorganisation charge. This included redundancy payments to three executive directors – among them Mr Bev Ripley, former chairman, and Mr Terry Norris, managing director – who left the board in May.

Mr Richard Beecham, the acting chairman who steps down following the rights issue, will be replaced by Mr Joe Firestone, president and chief executive of Electronics Boutique.

Losses per share widened to 5.5p (1.27p).

Exceptional charge hits Lionheart

An exceptional charge of £4.4m hammered pre-tax results at Lionheart, the decorative tools and housewares group, widening the interim deficit from £841,000 to £6.6m.

Turnover in the six months to June 30 fell slightly to £18.7m (£19.9m). Operating losses were £1.7m, compared with £657,000 which included restructuring costs of £600,000.

The exceptional charge this time related to losses on the disposal in June of Sloane Group, and was after taking into account £5.1m of goodwill previously written off to reserves.

The group said the disposal "allowed for a substantial reduction in borrowings" and that interest payable – which almost doubled in the period under review – would fall accordingly in the second half.

Bid for English National could change policy

By Nigel Clark

An offer is being made for English National Investment Trust, valuing it at £13.4m, which could result in its becoming a UK investment vehicle for Mr Joe Lewis.

Pan-Caribbean Investments, which is owned by Mr Lewis and controls 29.9 per cent of the voting rights in Enit, intends to acquire 55 per cent of the company as part of a reorganisation which will see a change in investment policy and a new board. Mr Lewis lives in the Bahamas. His companies own 16.97 per cent of Christopher International.

At present Enit concentrates on providing income. It is intended to change the emphasis to capital growth, and it may make acquisitions which could lead to a loss of trust status.

Net asset value per preferred share was 402.2p (£39.8p) and 327.2p (£24.8p) per deferred.

Net asset value per basic share was 402.2p (£39.8p) and 327.2p (£24.8p) per deferred.

Dividends shown net. Earnings shown basic. Figures in brackets are for corresponding period. * Gross income. * Comparatives for 6 months to September 30 1994. ** After exceptional

RESULTS

	Turnover (£m)	Pre-tax profit (£m)	EPS (p)	Current payment (p)	Date of payment	Dividends corresponding dividend	Total for year	Total last year
Automated Security	3 mths to Aug 31	40.6 (40.4)	1.25 (2.59)	0.3 (1.3)	-	-	-	0.71
Batchelot Holdings	9 mths to June 30	0.2784 (0.2644)	0.285 (0.1659)	0.39 (1.72)	-	-	-	-
Century Ind	6 mths to June 30	1.04 (1.04)	2.39	0.07 (0.07)	nil	nil	-	-
LAT	9 mths to June 30	2.854 (2.544)	0.803 (0.866)	0.8 (1.74)	0.05 Dec 29	0.05	-	0.68
Rhino	6 mths to June 30	18.3 (17.5)	6.881 (1.571)	5.51 (1.271)	nil	-	-	nil
Shoprite	6 mths to July 2	13.9 (103.8)	0.3951 (0.8871)	0.971 (1.151)	nil	-	0.6	nil
Investment Trusts	NAV (p)	Average/last Earnings (p)	EPS (p)	Current payment (p)	Date of payment	Dividends corresponding dividend	Total for year	Total last year
English Nat pref	6 mths to Sept 30	402.2 (359.8)	0.13 (0.3261)	4.8 (10)	5.4	Dec 1	5.4	-
English Nat def	6 mths to Sept 30	327.2 (284.8)	0.13 (0.326)	2.3 (7.5)	2.95	Dec 1	2.95	12.3

Lykes Bros forced to file for Chapter 11

By Charles Batchelor, Transport Correspondent

Lykes Bros Steamship, one of the oldest names in the US shipping industry, has filed for Chapter 11, a section of the US insolvency laws which gives it protection from its creditors and allows it to continue trading.

The privately owned company based in Tampa, Florida, blamed its difficulties on the debt it had incurred on an order for six Japanese-built container vessels and restrictive US government regulations.

ulation of the shipping industry.

Lykes, one of the few US-owned shipping companies involved in the international container business, operates regular "liner" services between the US and north-west Europe, the Mediterranean and Africa.

The revelation that it was seeking court protection was accompanied by the announcement of an agreement with Forum Maritime, a Greek shipping company, for Forum to provide a \$10m line of credit as working capital while Lykes

reorganised its activities over the past two years, reducing its staff and investing in technology. Its problems stem from a yen-denominated debt incurred in 1984 when it ordered six vessels from a Japanese yard. The purchase cost, the need to pay penalties when two of the vessels were cancelled and the depreciation of the dollar against the yen were "too great a burden under current market conditions".

Lykes said it had assets of \$229.7m against liabilities of \$201.7m, but its problem was one of cash flow and it was not unusual for a company to file for Chapter 11 in these circumstances.

The company has been

streamlining its activities over the past two years, reducing its staff and investing in technology. Its problems stem from a yen-denominated debt incurred in 1984 when it ordered six vessels from a Japanese yard. The purchase cost, the need to pay penalties when two of the vessels were cancelled and the depreciation of the dollar against the yen were "too great a burden under current market conditions".

Lykes said it had assets of \$229.7m against liabilities of \$201.7m, but its problem was one of cash flow and it was not unusual for a company to file for Chapter 11 in these circumstances.

The company has been

European competition hurts Whirlpool

By Tony Jackson in New York

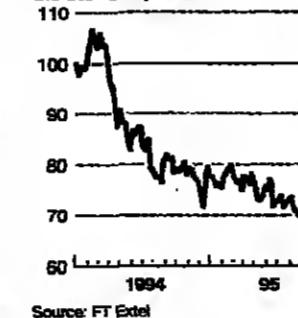
Sharp increased competition in Europe depressed third-quarter earnings at Whirlpool, the world's largest manufacturer of white goods. Earnings for the quarter were down 23 per cent, compared with the year-ago period, before special items, at \$64m, on sales up 3 per cent at \$2.2bn.

Whirlpool reported recovery in the US market, where a fall in volume in the second quarter gave way to a 3 per cent rise in the third. US operating margins were sharply higher than in the second quarter, as a continued rise in raw material costs was offset by better volume and lower selling and administrative costs.

In Europe, profits halved in spite of unchanged sales volume. The company said this was due to rising raw material costs, fierce competition and a shift by consumers to cheaper brands and models. This represents a set-back from the second quarter, when weakness in North America was partly offset by better European profits.

The company said it would

Whirlpool



Chairman David Whitwam

continue its aggressive programme of product re-design in Europe, aimed at lowering costs and raising quality. It said that by next year 60 per cent of its European sales would consist of models which did not exist two years ago.

The company said it would

Profits from Latin America were down "moderately" in the quarter, on reduced sales in Argentina, Colombia, Paraguay and Venezuela.

There was an operating loss in Asia, where Whirlpool has been expanding aggressively.

This was due partly to planned spending on expansion, but there was also a substantial drop in volume in Hong Kong.

Whirlpool said there were signs that the increase in raw material costs was finally moderating. Mr David Whitwam, chairman, said the company was ahead of schedule in its restructuring in North America and Europe, and this would significantly improve operating efficiency from next year.

Whirlpool's shares, which had been weak in recent weeks in expectation of poor results, were down 5% at \$54 in early trading yesterday.

Sybase, the US software developer, reported a sharp drop in third-quarter earnings but said it was on track to launch a new version of its main data base management product.

Net income for the third quarter was \$1m, or 2 cents a share, down from \$22.8m, or 31 cents, in the same period last year. The results were well below Wall Street projections of 13-15 cents a share.

Sybase has been losing ground to competitors including Oracle Systems and Informix because its database program, SQL Server, does not run on the latest generation of powerful computers.

Mr Mark Hoffman, chairman and chief executive, said initial testing of a new version, SQL Server 11, began in August. Earlier this month Sybase published an independent rating of its new software showing record performance on Sun Microsystems' computers.

For the first nine months of 1995, revenues were \$69.3m, up from \$57.5m in the same period last year. Year-to-date net losses, after charges, were \$23.5m, or 36 cents a share, against net income of \$5.4m, or 74 cents, in the first nine months of 1994.

RJ Reynolds cuts jobs as market share falls

By Tony Jackson in New York

WEEK IN THE MARKETS

Lead price buoyant at the LME

The lead market stood alone in the limelight yesterday as the London Metal Exchange ended a generally lacklustre week.

Speculative buying and short-covering against a background of tight physical supplies and increased demand from the replacement car battery sector drove the three months delivery position to \$63.50 a tonne at the close, up \$3.50 on the day and about the same on the week. It had earlier reached \$64.5, leading dealers to consider the implications of a successful test of resistance at \$65.

LME WAREHOUSE STOCKS

	(As at Friday's close)
tonnes	
Aluminium	275 to 525,925
Aluminium alloy	+140 to 45,620
Copper	+125 to 178,600
Lead	+240 to 208,425
Nickel	+1,002 to 12,000
Zinc	+125 to 725,735
Tin	+315 to 14,670

If that was breached, some told the Reuters news agency, a move towards the 1985 high of \$71.3 a tonne could ensue.

Dealers noted that concern about a strike at Alcan had enabled the aluminium contract to defy the general downward trend at the LME last week, but once it had become a reality on Friday the strike's battery implications were quickly discounted.

Analysts pointed out that substantial aluminium smelting capacity was sidelined in compliance with the "memorandum of understanding" signed by leading producing countries early last year in an effort to reduce excessive stocks. So other producers would have little difficulty in covering the supply shortfall left by a protracted strike.

In any case, after a narrow overall majority of the striking workers voted in favour of accepting Alcan's latest pay and conditions offer in a secret ballot in midweek, a compromise settlement seemed on the cards.

"I think we are at a stage where we could arrive at a compromise," said Mr Jean-Marc Crevier, president of the union representing the 5,000 smelter, power station and transport workers, said in a radio interview.

Richard Mooney

WEEKLY PRICE CHANGES

	Latest	Change	Year	Open	2095	Low	High
Prices	on week						
Gold per troy oz	\$384.00	+1.1	\$387.00	\$394	\$373		
Silver per troy oz	\$241.00	+6.1	\$307.00	\$375.00	\$267.00		
Aluminium 99.7% (each)	\$65.00	+0.50	\$65.50	\$65.00	\$65.00		
Copper Grade A (each)	\$220.00	+18.5	\$215.00	\$214.00	\$214.00		
Lead (each)	\$384.5	+31	\$342.0	\$362.50	\$336.50		
Nickel (each)	\$78.00	+0.50	\$657.50	\$1016.00	\$649.5		
Zinc SHG (each)	\$397.5	-20	\$104.50	\$105.00	\$386.5		
Tin (each)	\$262.00	+10	\$340.25	\$371.50	\$309.0		
Cocoa Futures Dec	\$287	+3	\$287	\$290	\$280		
Coffee Futures Nov	\$254.5	+3	\$258.00	\$262.00	\$252.00		
Sugar 12Pc Raw	\$307.1	+12.4	\$305.2	\$327.8	\$328.2		
Barley Future Nov	\$107.75	+0.25	\$104.85	\$113.00	\$102.00		
Wheat Future Nov	\$116.2	+1.5	\$104.8	\$117.10	\$111.00		
Cotton Outlook A Index	\$91.50	+3.1	\$73.00	\$116.00	\$85.00		
Wool (64% Super)	445.00	+14	426.00	\$320	424.00		
Oil (Brent Blend)	\$16.00	+0.00	\$15.78	\$16.01	\$16.05		

Per tonne unless otherwise stated. \$ per troy oz. £ per troy oz. Cents x Dec.

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

	Red	Green	Day's	Change	Yield	Week	Month
Coupon	Date	Price	Day's	Change	Yield	Week	Month
Australia	7.500	07/05	93.7500	+0.970	8.45	8.53	8.66
Austria	6.875	05/05	96.1000	+0.570	7.00	6.95	7.04
Belgium	6.500	03/05	96.7000	+0.540	7.08	7.13	7.08
Canada	6.750	12/03	102.5000	+1.200	7.58	7.61	7.60
Denmark	7.000	04/03	102.2000	+1.20	7.59	7.60	7.59
France	BTAN	7.750	04/03	+10.3200	0.120	0.07	0.60
	QAT	7.750	10/03	101.8000	+0.3100	7.50	7.59
Germany	6.875	05/02	102.2000	+0.510	6.54	6.59	6.58
Ireland	6.250	10/04	97.9000	+0.500	8.18	8.19	8.00
Italy	10.000	04/03	102.0000	+1.20	7.50	7.59	7.32
Japan	No 129	8.400	120.2240	+0.291	1.51	1.20	1.99
No 174	7.000	03/04	113.5740	+0.200	2.71	2.73	2.98
Netherlands	7.000	06/05	102.6200	+0.440	6.62	6.65	6.61
Portugal	11.875	02/03	103.7000	+0.350	11.10	11.23	11.28
Spain	10.000	02/03	95.1000	+0.100	10.40	10.45	10.45
Sweden	6.000	12/03	102.0000	+0.212	5.95	5.98	5.93
UK Gilt	8.500	12/03	101.2000	+10.32	7.60	7.40	7.48
	10/08	10/08	+10.15	+2.12	8.07	8.08	7.58
US Treasury	6.000	08/05	103.4000	+0.200	8.18	8.17	8.00
	6.000	08/05	102.2000	+0.202	6.30	6.42	6.00
ECU (French Govt)	7.500	04/03	120.6200	+0.440	7.74	7.67	7.60
	Yield	Local market standard.					
Source: MMS International							

ECONOMIC DIARY - FORWARD EVENTS

TODAY: National savings results (September). The eleventh summit of non-aligned countries takes place in Columbia (until October 20). **TOMORROW:** General assembly of the World Tourism Organisation in Cairo (until October 22). **MONDAY:** US business inventories (August). Japan, WPI (September). European Union (EU) reflection group meets in Brussels to prepare for the 1996 inter-governmental conference (until October 17). International contact group on former Yugoslavia meets in Moscow. US/UK air links in Washington. US House Banking Committee hearing on state of Japanese banks. **TUESDAY:** Public sector borrowing requirement (September). US industrial production (September). French parliament examines 1996 budget spending. Financial Times holds two-day conference "Intellectual Property - Managing the Risks: Maximising the Returns" in London. **WEDNESDAY:** Retail sales (September). Labour market statistics: claimant unemployment and unfilled vacancies in Yorkshire.

THE TAX FREE WAY TO PLAY THE MARKETS*

We are the leaders in financial and commodity spread bets. Accounts are available within 24 hours. Up-to-date prices - open, 24/7. Tel: 0171 383 3667. Subject to UK law.

FUTURES PAGER

• CURRENCIES • FUTURES • INDICES
• MARKET NEWS & UPDATES 24 HRS A DAY

FREE 10 DAY TRIAL

Telephone 0500 300 456
From outside UK 0171 895 9400

COMMODITIES AND AGRICULTURE

Lead price buoyant at the LME

makers to make do with lower purity metal, much of it of eastern European origin.

Demand for battery production, which accounts for about two thirds of world-wide lead consumption, traditionally rises with the approach of the northern hemisphere winter, but this year it has already been boosted by hot weather in many regions. Both hot and cold conditions reduced the life expectancy of industrial and automotive batteries, analysts told Reuters.

For the other LME metals this was a week to forget. Even a strike at Alcan Aluminum's Quebec smelters and an unexpected fall in producer stocks in August reported by the International Primary Aluminum Institute could not prevent a 5.7 per cent plunge in the three month delivery aluminum price.

The price closed yesterday at \$70.60 a tonne, \$3.50 above Wednesday's low but still \$58 down on the week.

Concern about the possibility of a strike at Alcan had enabled the aluminium contract to defy the general downward trend at the LME last week, but once it had become a reality on Friday the strike's battery implications were quickly discounted.

Analysts pointed out that substantial aluminium smelting capacity was sidelined in compliance with the "memorandum of understanding" signed by leading producing countries early last year in an effort to reduce excessive stocks. So other producers would have little difficulty in covering the supply shortfall left by a protracted strike.

In any case, after a narrow overall majority of the striking workers voted in favour of accepting Alcan's latest pay and conditions offer in a secret ballot in midweek, a compromise settlement seemed on the cards.

Richard Mooney

WEEKLY PRICE CHANGES

	Latest	Change	Year	Open	2095	Low	High
Prices	on week						
Gold per troy oz	\$384.00	+1.1	\$387.00	\$394	\$373		
Silver per troy oz	\$241.00	+6.1	\$307.00	\$375.00	\$267.00		
Aluminium 99.7% (each)	\$65.00	+0.50	\$65.50	\$65.00	\$65.00		
Copper Grade A (each)	\$220.00	+18.5	\$215.00	\$214.00	\$214.00		
Lead (each)	\$384.5	+31	\$342.0	\$362.50	\$336.50		
Nickel (each)	\$78.00	+0.50	\$657.50	\$1016.00	\$649.5		
Zinc SHG (each)	\$397.5	-20	\$104.50	\$105.00	\$386.5		
Tin (each)	\$262.00	+10	\$340.25	\$371.50	\$309.0		
Cocoa Futures Dec	\$287	+3	\$287	\$290	\$280		
Coffee Futures Nov	\$254.5	+3	\$258.00	\$262.00	\$252.00		
Sugar 12Pc Raw	\$307.1	+12.4	\$305.2	\$327.8	\$328.2		
Barley Future Nov	\$107.75	+0.25	\$104.85	\$113.00	\$102.00		
Wheat Future Nov	\$116.2	+1.5	\$104.8	\$117.10	\$111.00	</	

The return of merger mania

Nicholas Denton and David Wighton on the factors behind a flurry of UK acquisitions

The UK is in the grip of an acquisition boom. A cluster of large deals has buoyed the stock market and will make 1995 a record year for takeovers. The value of transactions is set to exceed the £47.2bn recorded at the last peak of the mergers and acquisitions cycle in 1989.

The excitement has reached such a pitch that even companies as large as Grand Metropolitan, the UK food and drinks group, are objects of bid speculation.

After Glaxo's £9.1bn (£14bn) takeover of Wellcome, its UK pharmaceuticals rival and Lloyd Bank's agreed £4.9bn bid for TSB Group, anything appears possible.

One recently rumoured bidder for GrandMet was none other than Kohlberg Kravis Roberts, the US corporate raider. It was KKR's £25bn takeover of R.J. Nabisco, another food and drinks group, closed in 1989, which above all epitomised the acquisition frenzy of that era.

But there are marked differences between the merger mania of the 1980s and the situation prevailing at present.

Most importantly, the present wave of deals has been focused on comparatively few business sectors. The top dozen takeovers have been exclusively in three areas: electricity distribution, financial services and pharmaceuticals.

Six of the 12 regional electricity companies have been acquired or have bids pending. Of the six largest independent UK investment banks at the beginning of this year, four – S.G. Warburg, Barings, Kleinwort Benson and Smith New Court – have been taken over. Takeovers have also swallowed Wellcome and

Pfizer, the second and fourth largest UK pharmaceuticals companies.

For investment banks active in these fast-consolidating areas, the year has been exceptionally lucrative. Goldman Sachs, the US investment bank, earned £12m on one deal alone, advising Eastern Group, the regional electricity company, on its sale to Hanson, the conglomerate. The mergers and acquisitions industry as a whole will earn more than £500m for advising on UK acquisitions this year.

For top deal-getters at international investment banks in London, this year's bonuses will in many cases lift pay over the £1m mark.

Within investment banks, corporate finance is riding high. "The M&A guys are getting big for their britches," says one US executive in London. Graduate trainees now crowd not so much into derivatives and emerging markets as into mergers and acquisitions departments.

"Young graduates think mergers and acquisitions is sexy in a way that it was five years ago and was not two years ago," says Mr Stephen Hester, head of European M&A at CS First Boston, the investment banking division of CS Holdings.

One reason why takeover activity has been concentrated in such a narrow range of sectors is that it has been motivated largely by industrial rather than financial logic.

In the grip of takeover fever

Top dozen takeovers in UK, 1995				
Acquirer	Target	Sector	Value of deal (£m)	Status
Glaxo	Wellcome	Pharmaceuticals	9.1	Completed
Lloyd's Bank	TSB Group	Banking	4.9	Agreed
National Power	Southern Electric	Electricity	2.8	Agreed
Hanson	Eastern Group	Electricity	2.4	Completed
PowerGen	Midlands Electricity	Electricity	1.9	Agreed
North West Water	Norweb	Electricity	1.9	Agreed
Rhône-Poulenc Rorer	Flacons	Pharmaceuticals	1.3	Agreed
Abbey National	National & Provincial	Building society	1.0	Agreed
Scottish Power	Manweb	Electricity	1.1	Agreed
Southern Company	Swab	Electricity	1.1	Completed
Dresdner Bank	Kleinwort Benson	Investment banking	1.0	Completed
Swiss Bank Corporation	S.G. Warburg	Investment banking	0.9	Completed

The last wave of takeovers accounted for a large number of underperforming companies, with corporate raiders and conglomerates able to extract profit through restructuring or breaking up their targets. Today's acquirers, by contrast, are more often industrial companies seeking to expand their main business and achieve cost savings

by combining central functions such as marketing or research and development.

This emphasis on industrial logic helps to explain the recent flurry of deals in investment banking, with a number of groups giving up their independence after the collapse of Baring. Convincing them a strong capital base was needed to compete

effectively in the international securities business.

The stress on an industrial rationale for takeovers has, in turn, changed the character of the advisory business.

Corporate financers with a background in industry are much sought after. Investment banks which have developed reputations

Insurers get the bug

The decision by Norwich Union, the giant mutually-owned insurer, to convert to a shareholder-owned company is likely to herald a period of acquisitions in the insurance industry, Alison Smith writes. Getting access to new capital would enable Norwich Union to expand into new financial services in the UK or overseas.

The insurer's announcement comes at a time of mixed fortunes in the UK industry, with intense competition eroding margins. One response is to abandon mutual status in return for an alliance with a stronger partner – as the board of Provident Mutual, a medium-sized mutual insurer, is recommending to policyholders.

Others may decide that conversion is unnecessary – as has Standard Life, the UK's largest mutual insurer.

But other large mutuals may conclude they have to follow Norwich Union's example if they are not to miss out on the economies of scale available through acquisition.

There are also concerns in the City that the present spate of activity may end abruptly once the consolidation process in areas such as electricity and pharmaceuticals is completed.

While acquisition activity may have regained the heights of 1989, the industry is altogether more professional and sober. Investment bankers, busier than they have been for five years, are not so much euphoric as exhausted.

counter intensifying competition from other banks.

US banks, which are particularly well-placed to broker international deals, are gaining market share. Goldman Sachs and Morgan Stanley are already well established in the UK mergers and acquisitions market, and CS First Boston, J.P. Morgan, Lehman Brothers and Merrill Lynch are seeking to join them.

At the same time, UK companies are increasingly fickle and demanding clients. A recent report by Focus Consulting found three-fifths of UK companies surveyed have considered, or are considering, changing advisers. TSB Group has been through three advisers this year, first replacing SBC Warburg with Morgan Stanley as house banker and then using J.P. Morgan to handle its negotiations with Lloyds Bank.

Corporates are prepared to shop around for deals," says Mr Roger Davis, chief operating officer of global investment banking at Flemings. "It's not like the old days where the phone rang and the business walked in the door. It's not enough to be chummy with a senior director and take him to the opera three times a year."

There are also concerns in the City that the present spate of activity may end abruptly once the consolidation process in areas such as electricity and pharmaceuticals is completed.

While acquisition activity may have regained the heights of 1989, the industry is altogether more professional and sober. Investment bankers, busier than they have been for five years, are not so much euphoric as exhausted.

to bot sectors – such as Schroders and Goldman Sachs – to electricity distribution – have benefited. All leading houses are now setting up specialist industry groups.

Investment bankers are also hav-

ing to work harder for their fees.

They are under pressure not just to

impress individual chief executives

with their understanding, but to

convince them to follow Norwich Union's example if they are not to miss out on the economies of scale available through acquisition.

There are also concerns in the City that the present spate of activity

may end abruptly once the consolidation process in areas such as electricity and pharmaceuticals is completed.

While acquisition activity may have regained the heights of 1989, the industry is altogether more professional and sober. Investment bankers, busier than they have been for five years, are not so much euphoric as exhausted.

Religious sects move centre stage

Buddhist groups have become more influential in Japanese politics, says William Dawkins

A new fashion accessory has caught on among the staff of Japanese opposition politicians: a gold, eight-leaved lotus badge, pinned discreetly to the lapel.

The badge denotes membership of Soka Gakkai, the country's largest Buddhist group and the most powerful of Japan's new religions. Its growing political influence, as the main provider of votes for the opposition New Frontier Party, shows how religious sects have moved from the fringes towards the centre of power in just a few years.

Since the NFP's surprisingly good showing in elections for Japan's upper house in July, ambitious politicians have been struggling to win – or neutralise – the religious vote. A symptom of the fierceness of the battle was the resignation on Monday of Mr Tomoharu Tazawa, the Liberal Democratic Party justice minister. According to Japanese newspapers, he offered to oppose measures to increase official control over religions if the NFP promised not to ask awkward questions about his links with Rissho Koseikai, another lay Buddhist sect.

The new measures have been introduced in the aftermath of the terrorist attacks alleged to have been carried out by Aum Shinrikyo, an obscure mystical cult with no political leverage. There is considerable support for such curbs, with 80 per cent backing them according to recent polls. This may increase as fresh revelations of Aum atrocities emerge in the run-up to the murder trial of its leader, Mr Shoko Asahara, which begins on October 26.

But despite this popular support, the plan has drawn opposition accusations that the government is plotting a political attack on Soka Gakkai to undermine the NFP. That is why, according to press reports, the NFP was prepared to accept Mr Tazawa's opposition to the new measures in return for not probing a Y200m (£2m) loan from Rissho Koseikai to a think-tank he chairs.

Mr Tazawa denies impropriety, as does the NFP and its religious core, the Komeito clean government party, the political arm of Soka Gakkai. Nevertheless, Mr Tazawa still had to step down because the government could not afford to be seen abusing religious influence.



Tomoharu Tazawa, the minister who resigned, and Shoko Asahara, who faces trial for murder

ence, explains Mrs Mayumi Moriyama, vice-chairman of the LDP panel drafting the plan, to be debated in parliament in the next few weeks.

There is some sympathy for this view even among the governing parties. As Mrs Moriyama points out, nearly every member of parliament depends, to varying degrees on the support of the devout – only the Socialists, non-believers by definition, are free of such accusations.

The religious sects have stepped into the vacuum created by the break-down in the traditional political lobbies

drawn mainly from conservative, lower middle class salarymen and their families. Rissho Koseikai has nearly 7m adherents.

Mrs Moriyama says the government plan is not intended to clamp down on religious groups, merely to make it easier to spot maniacs early. "It is not going to harm any religion, so long as it is a pure religious group," she says.

The result has been spectacular. Mr Tomio Fujii, a member of Komeito, reckons that Soka Gakkai accounted for 8m

may have something to hide."

But Soka Gakkai officials accuse the government of trying to make mischief ahead of the general election widely expected next year. According to opinion polls, the LDP is unlikely to command a majority and will have to form another coalition. This is likely to be easier with the NFP, since its existing partner, the Social Democratic Party, will have disbanded by the end of the year. Curbing the sects would strengthen the LDP in negotiations with the opposition.

The NFP, meanwhile, has been flourishing largely thanks to Soka Gakkai's vote gathering machine, which according to one political consultant in Tokyo, is the most efficient in post-war history. Since Komeito joined the opposition alliance late last year, Soka Gakkai has asked its local chapters to endorse any NFP member who appears to have suitable social and ethical views.

The result has been spectacular. Mr Tomio Fujii, a member of Komeito, reckons that Soka Gakkai accounted for 8m

may have something to hide."

But Soka Gakkai officials accuse the government of trying to make mischief ahead of the general election widely

expected next year. According to opinion polls, the LDP is unlikely to command a majority and will have to form another coalition. This is likely to be easier with the NFP, since its existing partner, the Social Democratic Party, will have disbanded by the end of the year. Curbing the sects would strengthen the LDP in negotiations with the opposition.

The result has been spectacular. Mr Tomio Fujii, a member of Komeito, reckons that Soka Gakkai accounted for 8m

may have something to hide."

But Soka Gakkai officials accuse the government of trying to make mischief ahead of the general election widely

expected next year. According to opinion polls, the LDP is unlikely to command a majority and will have to form another coalition. This is likely to be easier with the NFP, since its existing partner, the Social Democratic Party, will have disbanded by the end of the year. Curbing the sects would strengthen the LDP in negotiations with the opposition.

The result has been spectacular. Mr Tomio Fujii, a member of Komeito, reckons that Soka Gakkai accounted for 8m

may have something to hide."

But Soka Gakkai officials accuse the government of trying to make mischief ahead of the general election widely

expected next year. According to opinion polls, the LDP is unlikely to command a majority and will have to form another coalition. This is likely to be easier with the NFP, since its existing partner, the Social Democratic Party, will have disbanded by the end of the year. Curbing the sects would strengthen the LDP in negotiations with the opposition.

The result has been spectacular. Mr Tomio Fujii, a member of Komeito, reckons that Soka Gakkai accounted for 8m

may have something to hide."

But Soka Gakkai officials accuse the government of trying to make mischief ahead of the general election widely

expected next year. According to opinion polls, the LDP is unlikely to command a majority and will have to form another coalition. This is likely to be easier with the NFP, since its existing partner, the Social Democratic Party, will have disbanded by the end of the year. Curbing the sects would strengthen the LDP in negotiations with the opposition.

The result has been spectacular. Mr Tomio Fujii, a member of Komeito, reckons that Soka Gakkai accounted for 8m

may have something to hide."

But Soka Gakkai officials accuse the government of trying to make mischief ahead of the general election widely

expected next year. According to opinion polls, the LDP is unlikely to command a majority and will have to form another coalition. This is likely to be easier with the NFP, since its existing partner, the Social Democratic Party, will have disbanded by the end of the year. Curbing the sects would strengthen the LDP in negotiations with the opposition.

The result has been spectacular. Mr Tomio Fujii, a member of Komeito, reckons that Soka Gakkai accounted for 8m

may have something to hide."

But Soka Gakkai officials accuse the government of trying to make mischief ahead of the general election widely

expected next year. According to opinion polls, the LDP is unlikely to command a majority and will have to form another coalition. This is likely to be easier with the NFP, since its existing partner, the Social Democratic Party, will have disbanded by the end of the year. Curbing the sects would strengthen the LDP in negotiations with the opposition.

The result has been spectacular. Mr Tomio Fujii, a member of Komeito, reckons that Soka Gakkai accounted for 8m

may have something to hide."

But Soka Gakkai officials accuse the government of trying to make mischief ahead of the general election widely

expected next year. According to opinion polls, the LDP is unlikely to command a majority and will have to form another coalition. This is likely to be easier with the NFP, since its existing partner, the Social Democratic Party, will have disbanded by the end of the year. Curbing the sects would strengthen the LDP in negotiations with the opposition.

The result has been spectacular. Mr Tomio Fujii, a member of Komeito, reckons that Soka Gakkai accounted for 8m

may have something to hide."

But Soka Gakkai officials accuse the government of trying to make mischief ahead of the general election widely

expected next year. According to opinion polls, the LDP is unlikely to command a majority and will have to form another coalition. This is likely to be easier with the NFP, since its existing partner, the Social Democratic Party, will have disbanded by the end of the year. Curbing the sects would strengthen the LDP in negotiations with the opposition.

The result has been spectacular. Mr Tomio Fujii, a member of Komeito, reckons that Soka Gakkai accounted for 8m

FT MANAGED FUNDS SERVICE

• FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

FT MANAGED FUNDS SERVICE

• FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISE)

	Int'l. Rates	Settling	Buying	or Yield
	Chgs	Price	Price	Br/1
Fidelity Currency Funds Ltd				
Post Office Box, Pembroke, Bermuda				
Int'l. Postage: 10c 12c/24/61				
Private Cheque 0000 140000				
Fax: (441) 722 7772				
AS Account				
AS2 Account				
AS3 Account				
AS4 Account				
AS5 Account				
AS6 Account				
AS7 Account				
AS8 Account				
AS9 Account				
AS10 Account				
AS11 Account				
AS12 Account				
AS13 Account				
AS14 Account				
AS15 Account				
AS16 Account				
AS17 Account				
AS18 Account				
AS19 Account				
AS20 Account				
AS21 Account				
AS22 Account				
AS23 Account				
AS24 Account				
AS25 Account				
AS26 Account				
AS27 Account				
AS28 Account				
AS29 Account				
AS30 Account				
AS31 Account				
AS32 Account				
AS33 Account				
AS34 Account				
AS35 Account				
AS36 Account				
AS37 Account				
AS38 Account				
AS39 Account				
AS40 Account				
AS41 Account				
AS42 Account				
AS43 Account				
AS44 Account				
AS45 Account				
AS46 Account				
AS47 Account				
AS48 Account				
AS49 Account				
AS50 Account				
AS51 Account				
AS52 Account				
AS53 Account				
AS54 Account				
AS55 Account				
AS56 Account				
AS57 Account				
AS58 Account				
AS59 Account				
AS60 Account				
AS61 Account				
AS62 Account				
AS63 Account				
AS64 Account				
AS65 Account				
AS66 Account				
AS67 Account				
AS68 Account				
AS69 Account				
AS70 Account				
AS71 Account				
AS72 Account				
AS73 Account				
AS74 Account				
AS75 Account				
AS76 Account				
AS77 Account				
AS78 Account				
AS79 Account				
AS80 Account				
AS81 Account				
AS82 Account				
AS83 Account				
AS84 Account				
AS85 Account				
AS86 Account				
AS87 Account				
AS88 Account				
AS89 Account				
AS90 Account				
AS91 Account				
AS92 Account				
AS93 Account				
AS94 Account				
AS95 Account				
AS96 Account				
AS97 Account				
AS98 Account				
AS99 Account				
AS100 Account				
AS101 Account				
AS102 Account				
AS103 Account				
AS104 Account				
AS105 Account				
AS106 Account				
AS107 Account				
AS108 Account				
AS109 Account				
AS110 Account				
AS111 Account				
AS112 Account				
AS113 Account				
AS114 Account				
AS115 Account				
AS116 Account				
AS117 Account				
AS118 Account				
AS119 Account				
AS120 Account				
AS121 Account				
AS122 Account				
AS123 Account				
AS124 Account				
AS125 Account				
AS126 Account				
AS127 Account				
AS128 Account				
AS129 Account				
AS130 Account				
AS131 Account				
AS132 Account				
AS133 Account				
AS134 Account				
AS135 Account				
AS136 Account				
AS137 Account				
AS138 Account				
AS139 Account				
AS140 Account				
AS141 Account				
AS142 Account				
AS143 Account				
AS144 Account				
AS145 Account				
AS146 Account				
AS147 Account				
AS148 Account				
AS149 Account				
AS150 Account				
AS151 Account				
AS152 Account				
AS153 Account				
AS154 Account				
AS155 Account				
AS156 Account				
AS157 Account				
AS158 Account				
AS159 Account				
AS160 Account				
AS161 Account				
AS162 Account				
AS163 Account				
AS164 Account				
AS165 Account				
AS166 Account				
AS167 Account				
AS168 Account				
AS169 Account				
AS170 Account				
AS171 Account				
AS172 Account				
AS173 Account				
AS174 Account				
AS175 Account				
AS176 Account				
AS177 Account				
AS178 Account				
AS179 Account				
AS180 Account				
AS181 Account				
AS182 Account				
AS183 Account				
AS184 Account				
AS185 Account				
AS186 Account				
AS187 Account				
AS188 Account				
AS189 Account				
AS190 Account				
AS191 Account				
AS192 Account				
AS193 Account				
AS194 Account				
AS195 Account				
AS196 Account				
AS197 Account				
AS198 Account				
AS199 Account				
AS200 Account				
AS201 Account				
AS202 Account				
AS203 Account				
AS204 Account				
AS205 Account				
AS206 Account				
AS207 Account				
AS208 Account				
AS209 Account				
AS210 Account				
AS211 Account				
AS212 Account				
AS213 Account				
AS214 Account				
AS215 Account				
AS216 Account				
AS217 Account				
AS218 Account				
AS219 Account				
AS220 Account				
AS221 Account				
AS222 Account				
AS223 Account				
AS224 Account				
AS225 Account				
AS226 Account				
AS227 Account				
AS228 Account				
AS229 Account				
AS230 Account				
AS231 Account				
AS232 Account				
AS233 Account				
AS234 Account				
AS235 Account				
AS236 Account				
AS237 Account				
AS238 Account				
AS239 Account				
AS240 Account				
AS241 Account				
AS242 Account				
AS243 Account				
AS244 Account				
AS245 Account				
AS246 Account				
AS247 Account				
AS248 Account				
AS249 Account				
AS250 Account				
AS251 Account				
AS252 Account				
AS253 Account				
AS254 Account				
AS255 Account				
AS256 Account				
AS257 Account				
AS258 Account				
AS259 Account				
AS260 Account				
AS261 Account				
AS262 Account				
AS263 Account				
AS264 Account				
AS265 Account				
AS266 Account				
AS267 Account				
AS268 Account				
AS269 Account				
AS270 Account				
AS271 Account				
AS272 Account				
AS273 Account				
AS274 Account				
AS275 Account				
AS276 Account				
AS277 Account				
AS278 Account				
AS279 Account				
AS280 Account				
AS281 Account				
AS282 Account				
AS283 Account				
AS284 Account				
AS285 Account				
AS286 Account				
AS287 Account				
AS288 Account				
AS289 Account				
AS290 Account				
AS291 Account				
AS292 Account				
AS293 Account				
AS294 Account				
AS295 Account				
AS296 Account				
AS297 Account				
AS298 Account				
AS299 Account				
AS300 Account				
AS301 Account				
AS302 Account				
AS303 Account				
AS304 Account				
AS305 Account				
AS306 Account				
AS307 Account				
AS308 Account				
AS309 Account				
AS310 Account				
AS311 Account				
AS312 Account				
AS313 Account				
AS314 Account				
AS315 Account				
AS316 Account				
AS317 Account				
AS318 Account				
AS319 Account				
AS320 Account				
AS321 Account				
AS322 Account				
AS323 Account				
AS324 Account				
AS325 Account				
AS326 Account				
AS327 Account				
AS328 Account				
AS329 Account				
AS330 Account				
AS331 Account				
AS332 Account				
AS333 Account				
AS334 Account				
AS335 Account				
AS336 Account				
AS337 Account				
AS338 Account				
AS339 Account				
AS340 Account				
AS341 Account				
AS342 Account				
AS343 Account				
AS344 Account				
AS345 Account				
AS346 Account				
AS347 Account				
AS348 Account				
AS349 Account				
AS350 Account				
AS351 Account				
AS352 Account				
AS353 Account				
AS354 Account				
AS355 Account				
AS356 Account				
AS357 Account				
AS358 Account				
AS359 Account				
AS360 Account				
AS361 Account				
AS362 Account				
AS363 Account				
AS364 Account				
AS365 Account				
AS366 Account				
AS367 Account				
AS368 Account				
AS369 Account				
AS370 Account				
AS371 Account				
AS372 Account				
AS373 Account				
AS374 Account				
AS375 Account				
AS376 Account				
AS377 Account				
AS378 Account				
AS379 Account				
AS380 Account				
AS381 Account				
AS382 Account				
AS383 Account				
AS384 Account				
AS385 Account				
AS386 Account				
AS387 Account				
AS388 Account				
AS389 Account				
AS390 Account				
AS391 Account				
AS392 Account				
AS393 Account				
AS394 Account				
AS395 Account				
AS396 Account				
AS397 Account				
AS398 Account		</td		

BERMUDA (REGULATED)TM

GUERNSEY (SIB RECOGNISED)

IRELAND

Austrian States 500000.00
Austrian Bond 500000.00
Austro-Hungarian Reserve 500000.00

— Soviet Deposit
Protected funds
Monitored currency
Approved U.S.
Banking

ISLE OF MAN (REGULATED)

FT MANAGED FUNDS SERVICE

• FT Cityline Unit Trust Prices are available over the telephone. Call 0171 580 2222, 0171 580 2223 or 0171 580 2224.

OFFSHORE INSURANCES

MANAGED FUNDS NOTES

Primes are in place unless otherwise indicated and those designated **S** are as profit refer to U.S. dollars.
 Yield % allow for all buying expenses.
 Prices of certain older **Income** funds plus subject to capital gains tax on sales.
 (*) Funds not yet recognized. The regulatory authorities for these funds are:
 Bernards - Bernards Monetary Authority
 Gurney - Payment Services Committee
 Ireland - Central Bank of Ireland
 Italy - Financial Supervision Committee
 Jersey - Financial Services Department
 Luxembourg - Institut Luxembourgeois
 United charge - Charge made on sale of units
 Selling price - P.D. or redemption price.
 Buying price - Offer or issue price.
 This is the date shown alongside the last manager's name is the date of the last valuation point unless indicated by use of the following symbols:
 (v) - 0001 to 1100 hours
 (s) - 1101 to 1400 hours
 (a) - 1401 to 1700 hours
 (n) - 1701 to 2200 hours
 (c) - End charge on sale of notes
 (1) - Manager's periodic charge deducted from capital.
 (H) - Historic values F - Forward pricing
 (d) - Distribution free of UK taxes
 (p) - Periodic premium insurance plan.
 (s) - Single premium insurance
 (c) - Designated as a UCITS (Undertakings for Collective Investment in Transferable Securities).
 (e) - Offered price includes all expenses except spread
 (s) - Present day's price.
 (p) - Gurney 2000.
 (f) - Yield before Jersey tax.
 (d) - Ex-substitution, ad - Ex-dividend.
 (e) - Only available to charitable bodies
 (g) - Yield column shows anticipated rates of NAV increase.

AMERICA

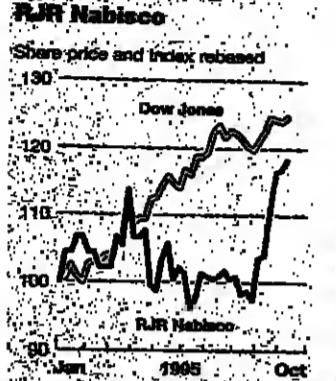
Lift in bonds takes equities higher again

Wall Street

US stocks were sharply better yesterday, spurred mainly by an unexpectedly strong bond market, writes Tony Jackson in New York.

The lift in bonds was attributed to a drop in yields to a technically attractive level; in addition, the gains offered a reaction to yesterday's encouraging figures on inflation and retail sales. The yield on the long bond dropped from 6.4 per cent to 6.3 per cent, the lowest level since February of last year.

RJR Nabisco



The Dow Jones Industrial Average was up 32.61 at 1 pm, nudging the 4,800 mark at 4,797.39, in volume of 22.2m shares. The broader Standard & Poor's 500 index was up 2.71 at 585.81, while the American stock exchange index was up 2.27 at 534.07. The Nasdaq index was up 4.94 at 1,020.57.

The 2.5 per cent rise in the consumer price index for September continued the decline from the 3.2 per cent peak seen in May, and was combined with a rise in retail sales in the third quarter of 1.9 per cent, compared to the 1.2 per cent gain in the second quarter.

Analysts at Deutsche Morgan Grenfell/C.J. Lawrence said that the rise of only 1.5 per cent in goods prices pointed to a sharp deflationary trend, while the higher rate of 3.4 per cent for services appeared to be dropping towards 3 per cent.

The recovery in high-tech

stocks continued, helped by Thursday's strong figures from the chip maker, Texas Instruments. Apple Computer was up \$1.4 at \$364, while Sun Microsystems rose \$1.2 to \$85. American Online was up \$2.6 to \$85.5, and Netscape, another stock associated with the Internet, was up \$2 to \$68. Microsoft rose \$2 to \$79.75. Texas Instruments itself fell back \$1.2 to \$73.25 on profit taking.

Among Big Board stocks, Caterpillar rose \$1.2 to \$55.5 ahead of next Monday's results. Other blue-chip gainers included Exxon, up \$1.2 at \$74.5, and Union Carbide, up \$1 at \$39.4.

Whirlpool, which yesterday reported third quarter earnings depressed by intense competition in Europe, dropped only \$1.2 to \$33.2. The stock, which was hit by a second quarter profits warning in June, had been weak in recent weeks as the market braced itself for further bad news.

RJR Nabisco, which said yesterday that it would take a \$160m charge in its fourth quarter for job losses in its tobacco business, rose \$2 to \$22.5. Analysts saw the move as a sensible response to slipping market share, and welcomed the company's estimate of annual savings of \$150m.

Canada

Toronto shook off its traditional October lethargy in mid-day trade and the TSX-300 composite index rose 18.64 by noon to 4,495.26 in heavy volume of 31.1m shares.

Diamond Fields Resources, which owns a stake in the Voisey Bay nickel project, rose C\$1 to C\$22.5 as it said that talks were going well with native groups claiming historic titles to land around the project.

Royal Bank of Canada picked up C\$1 to C\$30.5 and Toronto-Dominion Bank was C\$1.2 ahead at C\$28.1.

Leading stocks included the gas giant, Placer Dome, down C\$1 to C\$21.4. Alberta Natural Gas plunged C\$4 to C\$19.4 after TransCanada Pipelines said it would not make an offer to acquire the 51 per cent that it does not already own.

Mexico down 1.3%

Mexico City continued to retreat and by midday the IPC index was off 30.22 or 1.3 per cent at 2,305.27.

Eighteen stocks fell in early trade, while only two gained and five were unchanged. Volume was low at 30.5m pesos.

Losers were headed by Cemex B, down 2.7 per cent, while Situr was off 2.6 per cent. Telmex L shares were down

1 per cent.

SAO PAULO was up just 0.3 per cent in this midday turn-around after Thursday's national holiday. The Bovespa index was up 1.86 to 45,146 by 1 pm. Turnover was low at R\$126.2m (US\$1.6m).

CARACAS closed at a new 1995 high as the Merlín index added 9.5 to 117.7 in turnover of \$2m.

The recovery in high-tech

EUROPE

Reservations as futures drive Frankfurt ahead

Extended gains in US stocks, higher bond markets and, finally, a lift in the dollar gave bourses every excuse to improve, writes *Our Markets Staff*. But there were reservations in FRANKFURT, the top performer of the day with the Dax index up 2.38 at an Ibis-indicated 2,206.11.

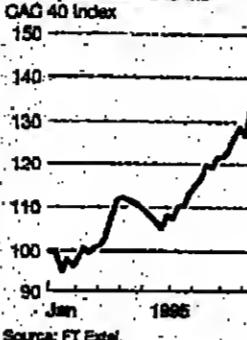
Mr Jens Wielking, head of institutional sales at March Finck in Düsseldorf, said that the market was driven by Dax futures and associated technical factors: a third chart attack on the sub-2,150 level had taken the Dax below 2,120 at one point on Tuesday; after that, he said, there had been no further reason to sell; speculators had to cover their short positions and the key index

rose 1.4 per cent on the week. Allianz, an index heavyweight and a prime target in market operations like these, put on DMT2 at DM2,005.

J.P. Morgan yesterday cut its December 1996 target for the CAC-40 from 2,250 to 1,900 and said it was moving its long-term view on the market from overweight to underweight. "France is expected to experience one of the slowest growth rates in Europe next year, which must put at risk analysts' earnings forecasts," the broker said.

Carrefour accelerated to a new high for the year, gaining FF136 to FF13,002, off a session high of FF13,019, which

Carrefour



down DM13, or 7.4 per cent to DM661, after Thursday's announcement that annual sales would fall below plan.

PARIS built on Thursday's gains and the CAC-40 index moved up 1.32 to 1,817.03, up 0.5 per cent on the week.

ZURICH finished at a third consecutive high for the year, a firmer dollar providing solid support. The SMI index picked up 2.5 to 8,102.3 for a 1.8 per cent rise on the week.

The pharmaceuticals sector

continued to star after this week's third quarter figures from Roche and Chiron.

Chiron rose SF14 to an all

time high of SF94.6 as Mr Mark Tracy at Goldman Sachs raised his earnings estimates because, he said, the more significant businesses like pharmaceuticals, crop protection and animal health were exceeding expectations. He also

brought its gain on the year to date to 26 per cent. Mr Charles Allen at Merrill Lynch in London remarked that the retailer had been benefiting from "astonishing profit growth in France, while longer-term support was being provided by overseas expansion". Mr Pascal Hautecour of Robert Fleming in Paris thought the company's expansion into Central and Latin America and south-east Asia was the key to the acceleration in profitability. He forecast an eps growth "close to 25 per cent over the 1994 to 1997 period". Elsewhere in retailing, Promodes rose FF19 to

FF21.25.

Havas, which lowered its 1995 growth forecasts for the domestic advertising market to 4.6 per cent from 4.7 per cent, fell FF15.20 to FF14.30.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Financials also remained in focus, Swiss Re and UBS each picking up SF15 to SF11,230 and SF11,235 respectively.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Financials also remained in focus, Swiss Re and UBS each picking up SF15 to SF11,230 and SF11,235 respectively.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

Nestle finished SF14 easier at SF14.16 to SF13,860 and Sandor was SF17.5 higher at SF132.11 as expectations rose ahead of its third quarter figures due next Thursday.

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talieman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest deal.

For those securities in which the business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

† Bargains at special prices. ♦ Bargains done the previous day.

British Funds, etc

Treasury 134 1/2% Ls 2000/03 - £123.8

Corporation and County Stocks

London County 21 1/2% Cons Ls 1920/after - £24.1

Birmingham District Council 13 1/2% Red Ls 1920/after - £10.005

Durham County Council 13 1/2% Ls 1920/after - £10.005

Leeds City Council 13 1/2% Red 2000+ - £13.2

Leicester City Council 7 1/2% Ls 2019/Reg - £91.10005

Lincoln Corp 3% Red 1910/Red after - £3.2

Manchester 11 1/2% Red 2007+ - £119.2

Salford City of 7% Ls 2019/Reg - £30.9

1100005

UK Public Boards

Port of London Authority 3% Port of London A Sh 22/25 - £34.4

Foreign Stocks, Bonds, etc (coupons payable in London)

Abbey National Corp 5% Ls 1997/Reg - £55.500

Abbey National Treasury Servs Plc 8% Gld Bds 1995/Br/2000, 100000/100000 - £94.6

Abbey National Treasury Servs Plc 8% Gld Bds 2003 (Br Vars - £97.4

Anglo Irish Corp 6% Gld Subs 2003/Reg - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br

£1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £97.4

£1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

Anglo Irish Corp 8.125% Bds 2002 (Br Vars - £1000/2000/00000 - £97.4

LONDON SHARE SERVICE

BANKS, MERCHANT

CHEMICALS

ELECTRONIC & ELECTRICAL EQPT - Cont.

EXTRACTIVE INDUSTRIES - Cont.

HOUSEHOLD GOODS - Cont.

INVESTMENT TRUSTS - Cont.

DISTRIBUTORS

ENGINEERING

INSURANCE

INVESTMENT TRUSTS

BREWERIES

BUILDING & CONSTRUCTION

DIVERSIFIED INDUSTRIALS

FOOD PRODUCERS

GAS DISTRIBUTION

HEALTH CARE

ENGINEERING, VEHICLES

EXTRACTIVE INDUSTRIES

HOUSEHOLD GOODS

INVESTMENT TRUSTS SPLIT CAPITAL

OTHER

NOTES

Possessed by the rhythm of voodoo drums

James Henderson on Haiti's spiritual double life

The Saint's day of Our Lady of Mt Carmel is July 16 and each year it sees a huge gathering of the faithful at the normally slumberstruck village of Saint d'eau, a town in Haiti's central mountains.

The Virgin is said to have appeared there in a palm tree near a waterfall (saut d'eau) in French about a century and a half ago.

They go for the same reasons as any Catholic pilgrims: to honour the Virgin. Their faith is not in doubt (this is a country where the President is a Catholic priest).

But in Haiti the spiritual rhythms beat rather differently. Saut d'eau is also a voodoo pilgrimage and the waterfall the central feature.

Voodoo is pretty widely misunderstood outside Haiti. In fact it is a system of beliefs like any other religion. The Grand Maître is the supreme divinity, as the European God, but there is also a spirit world inhabited by voodoo gods or lwas, who impinge much more closely on human existence. They can be vengeful and benevolent; they must be worshipped appropriately, and appear when angry.

The lwas have an earthier quality than the European God and have noticeably more human characteristics. There are even jealousies between them. But they reward their followers by intervening in their lives. In the drum-driven voodoo ceremonies they come to possess them, taking over their body.

The mix of the two religions arose when newly arrived slaves were permitted to worship in church. Ostensibly they prayed to the Catholic divinity, but behind the facade they continued to worship their West African gods, equating them with the Catholic Saints.

St Patrick, so often depicted with snakes, has become associated with Damballah, the spirit of wisdom and fertility (his symbol is a snake); St James with Ogou, the spirit of war. The Virgin Mary's equivalent is Erzulie, the spirit of love. To most Haitians there is no conflict in being both a Catholic and a voodouist.

Arriving in Saut d'eau I found customary Haitian chaos, streets gorged with people all trying to get somewhere, trying it on. Stalls were offering food and drinks, the candles and portraits of the pilgrimage, and a little gambling. There is a surprising mix of Haitian society, bon bourgeois from Port au Prince, and peasants from all over the island. Some had walked for days to get here.

I joined the constant stream of people headed to the waterfall. We climbed a steep slope, and were caught momentarily in the crowd of a ra-ra band (shuffle-stepping to hand-held

drums, a cheese-grater, trombone and the long low hum of a plastic drainpipe).

There are the familiar elements of any Catholic pilgrimage. People carried pictures of the virgin, they placed dedicatory candles, whispering prayers, and they wore special colours; many wore blue and white, the colours of the Virgin. But of course there was a parallel significance: the candles were placed at particular trees - at a kapok to honour Damballah; and some wore cords of different colours denoting different lwas.

The waterfall itself is magnificent. Three cascades drop 100ft into a dark and fertile cleft, cool because some water is whipped off into a breezy mist.

The rest splatters violently



Voodouists must get God's permission to invoke the lwas

on to the pilgrims on the rocks beneath. Up to 400 people stood about. The central part of the ritual is a physical cleansing in the sacred water and so most had stripped off to their underwear and were washing themselves. They clambered over the rocks shampoo in hand, letting the sacred water wash over them; one man even set off into the fray clutching a toothbrush, paste ready prepared.

Suddenly commotion: a woman was falling into a trance. She shook horribly at first, and the people around her supported her so that she would not drown. She recovered and began to hold court with them, coy and playful. The woman next to me said: "Ah, c'est Erzulie."

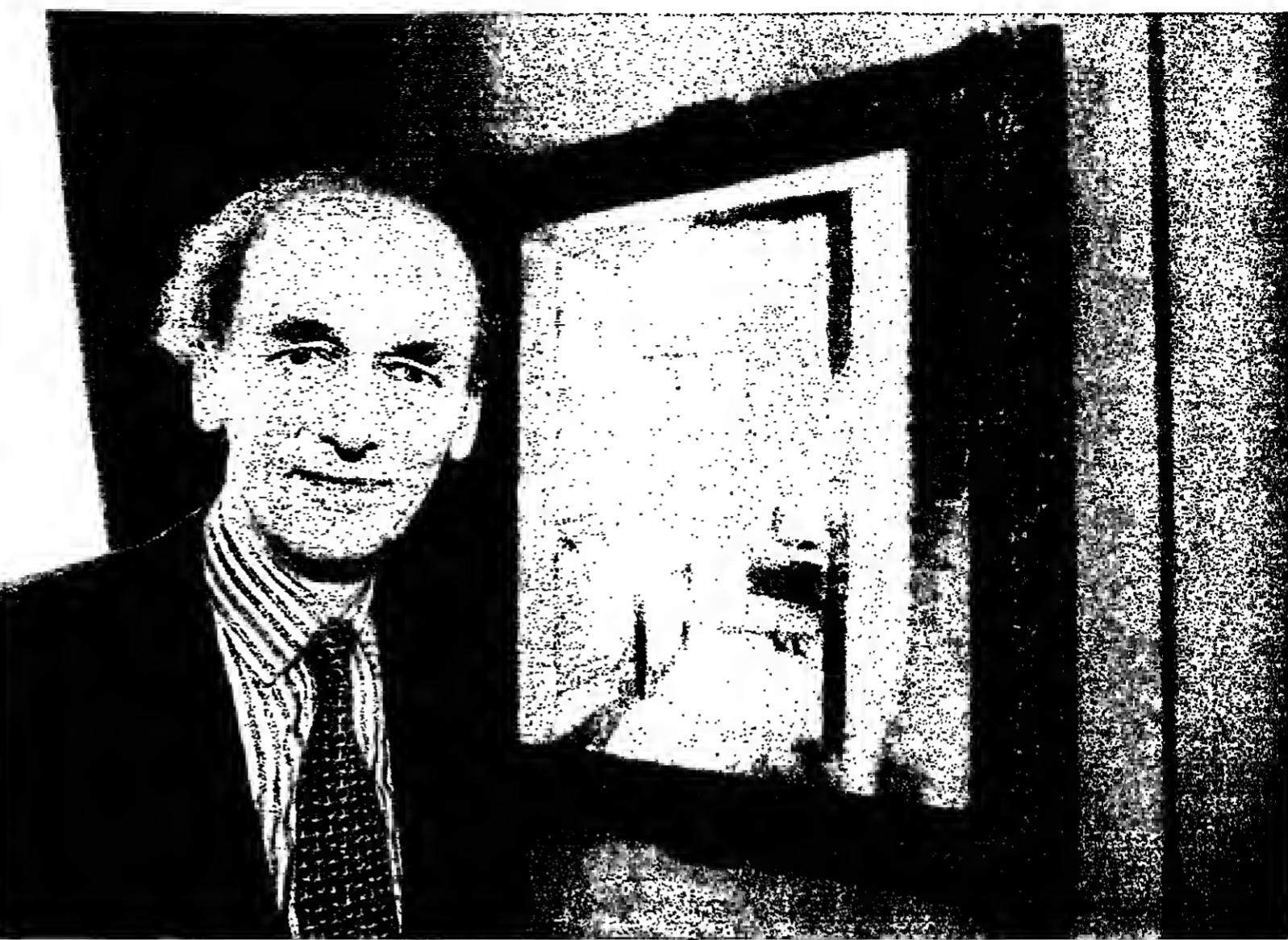
As the lwas each have particular behaviour patterns, people are able to recognise which spirit has appeared. Erzulie is coquettish and flirtatious. It was auspicious that she should have come.

And then there was a young man in a more sinister-seeming trance. Eyes rolled back, he was standing, moving sinuously, holding a man's hand, but defiant and vaguely threatening. "Oh Damballah," said the woman as though it was the most normal thing in the world.

As night drew in we returned to the village and a



Voodoo gods can be vengeful and benevolent; they must be worshipped appropriately



Trevor Humphrey

Lunch with the FT / Nigel Spivey Goodison's moveable feast

Clocks make him tick. Or, more precisely, automata - those toys which respond to feeling wound-up by moving around and performing various diverting functions.

Get the former chairman of the London Stock Exchange on to the subject of mechanical devices and his eyes light up. They may be shabby gee-gaws from Taiwan or the like's work of some patient craftsman in deepest Bohemia. All they need is a move of their own accord.

With child-like glee, he describes how, in every city of the business world, there is always a back street that harbours a specialist boutique of automata. Wherever they are, and wherever hatteries are considered deplorable, there the name of Sir Nicholas Goodison will surely be known as a connoisseur and collector.

His wife despairs of the strain upon household space.

But, by his own confession, no new and ingenious gadget can be resisted.

I supposed there was some psychological, or even business, sense to this passion.

Clocks are, notoriously, the fetish of the Calvinist types who believe that every minute utilised properly is a notch towards ultimate salvation.

Goodison belongs to three generations of stockbrokers and radiates a contagious faith in professional reliability. All regular and tickety-boo. Coming from a gaunt man of immaculate manners, it is like the antidote to all financial sleaze and feline obesity.

Accordingly, at our table in London's fashionable Orso restaurant, he seemed uninterested in food and drink, only a glass of Peroni beer.

Goodison, today chairman of the Trustee Savings Bank - in the headlines this week following proposals of a merger with Lloyds bank - reminded me of a certain type of headmaster. Not the sort of beak to deal out a hearty whacking but, rather, one who knows how to instil the deeper wounds of anguish.

"I was going to become a teacher," he said. "Inspired to, by a master at school. But, you know, I found it was also him who advised against it. Told me what a strangely lonely job it was. More scope for stockbrokers in that respect. Stockbroking is all about people. So, I've spent all my life in the City."

Happily:

"Oh, absolutely. There's always something going on in the City. I love it."

There were more goings-on than I then imagined. But Lloyds never touched our lips. Innocently, we dwelled upon the schoolmaster ambition.

Goodison was at Marlborough, where he is still a governor. ("Chilly place to be, in the winter of '47. Still had sand on the dormitory floor, a pee bucket in the middle of the room, and all that.") The inspirational master was a classicist who was, to use present jargon, of an inter-disciplinary disposition. Before the boys settled to parse their verbs, he would take them to a landmark of western art.

"Sounds frightfully crude by today's standards. He had these reproduction pictures.

Every lesson, he would produce the next one in the series, stick it up on the wall and talk to us about it. Started with Giotto. By the end of the year, we got to the end 'P' - Paul Nash. It was enchanting. High-light of my week. It gave me a taste and an appetite for art which has been with me ever since."

The TSB used to be called "the toytoys bank" until Goodison took over as chairman. One way in which he changed that image was by throwing some art at its walls. Twentieth-century British - Paul Nash and the like.

"Businesses need art," he declared. "Places where people spend lots of their time should be beautiful."

An aesthetic businessman is a very obvious person to be chairman of the National Art Collections Fund. We had got to that stage in lunch where I felt emboldened to test his chivalric rigour.

"The Three Graces," I said. "Now, what a tragedy that

was. The most insipid and repulsive piece of statuary to be produced in Europe during the past three centuries. It could have gone to the States for £7m. There would have been parties in the streets."

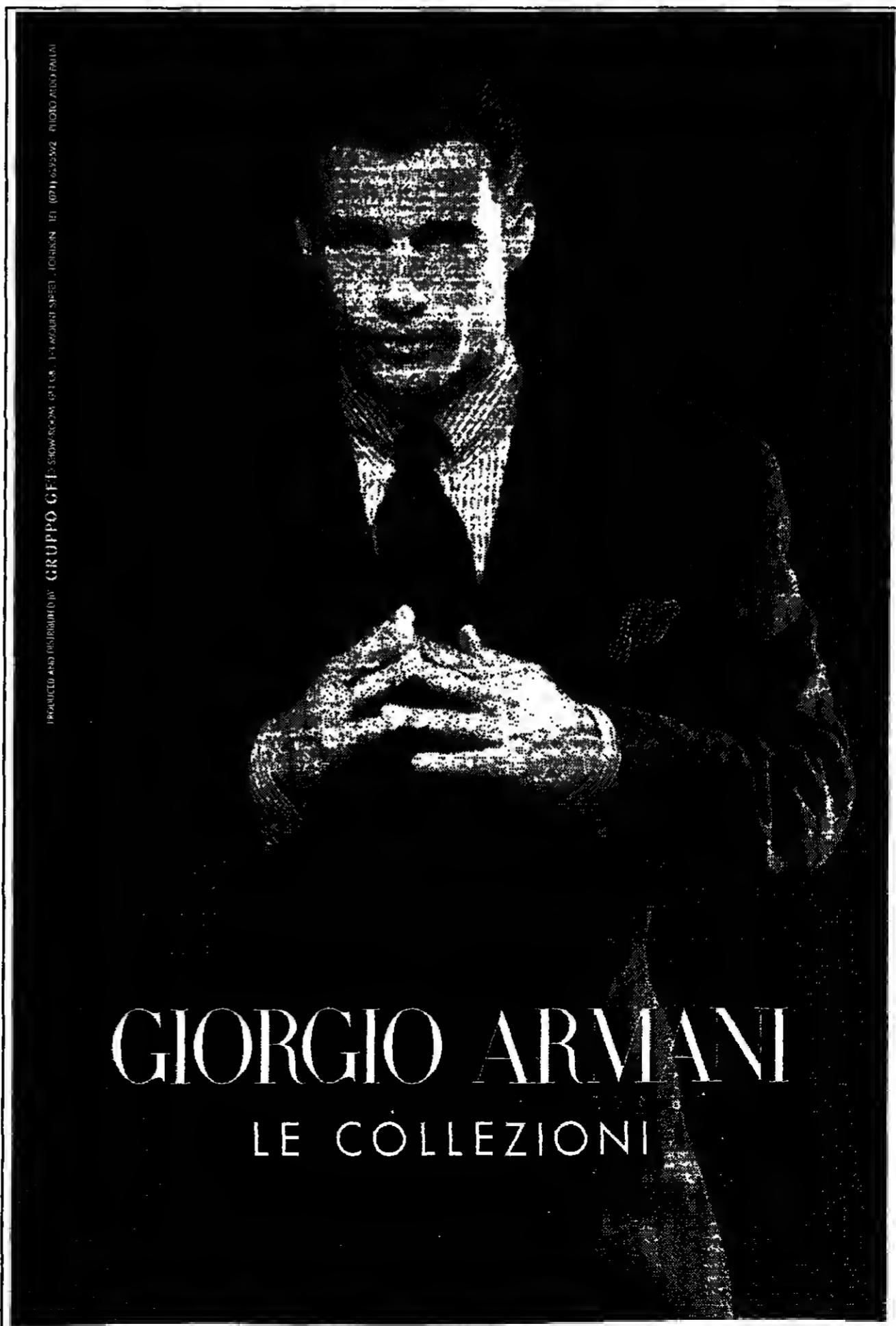
That should have touched a nerve. To assist in the purchase of Canova's "Three Graces", the NACF took the unusual step of dipping into its capital. But the impertinence was defused, gently.

"That's a question of taste," Goodison said. "Not for us to

impose personal taste. Tastes change. Think of the Pre-Raphaelites. Widely despised, once upon a time."

He would have been a good teacher. He probed and expanded so naturally on this question, and many others. At about a quarter to three, he realised that he had a meeting half an hour ago. "I say," he said. "I fear I've lost track of time."

Not in character, surely. But an endearing failure of clock-work.



GIORGIO ARMANI
LE COLLEZIONI

FOOD AND DRINK

Cookery

The Ligurian village that gives thanks to cod

Philippa Davenport visits Badalucco for its festival

Some 600 years ago Badalucco, a quiet mountain village in Liguria, survived a siege by the powerful Genoese with the help of dried cod.

Dried cod or stockfish (as opposed to salt cod or *baccalà*) is highly prized in Liguria. The faint glue factory smell of it hangs over the village during the festival that celebrates the siege, is cause for rejoicing among the human and feline populations, but displeasing to some of the uninitiated.

Everyone is involved in the preparations. Vast amounts of the fish are soaked for days under cold running water. Relay teams of village women painstakingly pick the skin from the rehydrated fish while others scrub the bones. At first glance they look like housewives doing their laundry in a communal wash-house – but who bothers to protect her hairdo with a bathcap when washing clothes?

The men flex their muscles and stir the cauldrons. About 16 hours of gentle cooking are needed to render the flesh succulent and melting according to the local recipe: the fish soft-

ened and savoured with garlic, pineapples, hazelnuts, pinenuts, anchovies, porcini, white wine and delicate sweet olive oil. All the ingredients, except the cod, are products of the area.

On Saturday night after much speech-making, ribbon cutting and doffing thanks to the Norwegians (who give the stockfish for the occasion) the first taste of Stoccafisso Badaluccese is served at a ceremonial open-air dinner in a floodlit village square. The hand strikes up and dancing begins.

While VIP revellers drift off to bed, dedicated teams continue to cook into the small hours in order to make enough to feast the crowds expected on Sunday. This year the 1,000 villagers were hosts to 15,000 visitors – a minor miracle of village community co-operation and organisation.

This trip was my first to Liguria and it was a revelation. The British coastal connection is well established. Bordighera on the western riviera was a fashionable place to winter long before Nice the Levantine riviera was Byron's playground and Shelley's watery grave. But the hinterland is

Aromatic and tender fillings are wrapped in fragile filo-like pastry, or enclosed in postage-stamp thin pasta, or occasionally slipped into a boozed and rolled cut of meat. The effects are exquisite and the triumph is all the more remarkable

given the terrain. Or perhaps it is precisely because cultivable land is so scarce in Liguria, and cultivation there calls for double the usual care, that the cooking of those hard-won crops is so thoughtful?

The valleys that run back from the sea into the mountains are narrow and steep. Every wheat field and vegetable garden is a terraced strip laboriously carved from the hillside. Looking up from the sea, frost-free and frost-prone levels show up as clearly as contour lines on an atlas. Revelation lies in the colour of the trees. Lower slopes are cloaked with silver-grey olives. Above is the bright chlorophyll green of chestnut woods fringed with wild fruits and hazels, wherein

fungi, rabbits, game birds and wild boar flourish.

All these points and many more are explored – with far greater knowledge, style and skill than I can muster – in a book to be published next week by Britain's most respected writer on Italian foods.

Anna Del Conte's *The Classic Food of Northern Italy* (Pavilion, £19.99, 240 pages) reveals really ought to make us think twice before employing that meaningless *passo porto* phrase "Italian cooking".

The chapter on Liguria begins "If we were to be told that I could eat dishes from only one of Italy's 20 regions, I would毫不犹豫地 choose Liguria..."

Perversely (but mainly for reasons of space and because two readers have chided me about recent lack of meat recipes in my column) the Del Conte recipe that follows comes not from the chapter on Liguria but from her native Lombardy.

A hint of the flavours contained in Anna Del Conte's *The Classic Food of Northern Italy* (Pavilion, £19.99, 240 pages)

UCCELLI SCAPPATI

(serves 4)
12 thin pork escalopes, weighing about 1lb in total; 12 slices unsmoked pancetta, weighing about 8oz in total; 3 fresh rosemary sprigs; about 20 fresh sage leaves; 1½oz unsalted butter; 1 layer peeled from an onion; 4 tablespoons dry white wine.

Season the escalopes with salt and pepper on both sides.

Cover each with a slice of pancetta, cut a little smaller than the escalope. Scatter with a few rosemary needles and roll up from a long side. Thread one sage leaf, one bundle, one sage leaf and the last bundle plus the last sage leaf on to a short metal skewer. Repeat with three more skewers.

When all the skewers are ready, heat the butter with the layer of onion in a large frying pan. When the foam begins to subside and the butter takes on a lovely hazelnut colour, place the skewers in the pan. Sauté at a lively heat for 2-3 minutes, turn the skewers and sauté on the other side for about 2 minutes.

Pour on the wine and cook at a lively heat for 2 minutes more. Turn the heat down and finish cooking for a couple of minutes. Taste and adjust seasoning.

Draw the pan off the heat and let the meat rest for 5 minutes before serving. During this time meat juices will be released and mix with the wine liquid. *Uccelli scappati* should not have much cooking liquid; just about 1 tablespoon per serving.

When all the skewers are

authorise projects over the heads of the local people.

"There are few villages in Norfolk without large and ugly housing estates," he says. "People there don't work locally but commute to large towns, but they create extra demand on facilities like water and the roads. This has done untold damage to the aquifers."

"We simply cannot go on artificially expanding the population of the county without destroying the whole tradition and culture of it."

The aim of development, he believes, should be to preserve the local character and way of life rather than open the floodgates to incomers. The conversion of farms into golf courses is a particular bugbear: they make the countryside look suburban and interfere with the landscape.

Cook wants to see the government apply policies which provide employment and housing for local people – something he has been trying to do through the way he manages his estate and tenancies – but restrain speculative development. Tourism should be encouraged, so long as it does not destroy the very things people come to see.

□ □ □

It has taken the government a whole year to come up with its white paper (John Gummer, the environment secretary, promised it at last year's Tory party conference). But it is hardly surprising when you realise that the countryside is a battleground for some of the most powerful forces in the land.

There will be many skirmishes in the debate. But the decisive one will be between those who want to get at the countryside (developers, commuters, ramblers and economic agencies of government) and those who are determined to stop them (landowning interests, the conservationists and the "heritage" agencies of government does not speak with one voice on country matters).

They will tussle over questions like "What is the countryside really for?" which in the end come down to how tough the planning regulations should be, whether the tax-payer should fund grants and services to keep the country looking nice and prosperous, and whether farmers should produce food or run a giant recreation ground.

But if Britain is really to lead the way out of the industrial age, the debate will also have to find a new role for the countryside, one which satisfies a nation which is increasingly leisured and moneyed, which can feed itself, and whose mobility overwhelms all the traditional barriers which shaped and protected the land for centuries.

One of his current concerns is Fakenham itself where the construction of three supermarkets has left the historic town centre with 20 empty shops. He owns much of the surrounding land, and has been trying to stand in the way of out-of-town development. But he blames the "faceless bureaucrats" in London who

The countryside: for work, rest or play?

Continued from Page 1

the US, and he sells the completed products in 80 countries – all from a converted smithy in a village below Exmoor in Somerset.

The migration of hi-tech businesses to the countryside is a relatively recent phenomenon. But Singer has been in Exmoor for 20 years so he is, in a way, an old hand who has seen the dramatic changes which have made it possible.

"The best thing was the deregulation of the post office and competition in delivery,"

says Singer, who can order a component at 8pm and have it courier-delivered along his country lanes by 10am the next day. With phone, fax and computer he is in constant touch with his markets. On the wall are a world map and United Airlines directory. Singer can be anywhere by tomorrow night.

There are disadvantages, of course. Mobile phones do not

work in his valley. And there

is no public transport, so Singer can only employ people who own cars, which makes it difficult to attract youngsters. And pretty though Exmoor is, it lacks that something. "There's no energy in the countryside. You have to go to the city for that," he admits.

However, he feels it is

incumbent on anyone to relocate their business to the coun-

tryside if they can.

Not that the local village benefits much from Singer's presence. None of his small staff of 10 come from the immediate vicinity, nor does he buy anything locally, apart from small items from the village store. But he tries to ensure that the people he does employ have a commitment to the area, specially if they are setting out on their careers. His

company also pays business taxes to the local council.

The important thing, he believes, is that his very presence there "shows that something is going on".

The problem for companies thinking of relocating is that it is very hard to put a cash value on the benefits. "If you could, they'd be worth a lot of money." The government has to prime the pump if it wants the process to develop, though Singer says that organisations like the Rural Development Commission are already doing a good job in that regard.

The conservationists may be alarmed by the "hi-teching" of the countryside but Singer sees it as essential to preserving its vibrancy. "I don't see a conflict between economic activity and the idealised picture that townfolk want to preserve. They're complementary. Without businesses the village shop and the pub would go down

inches than homes, many of them become redundant as farms modernise and merge. Allowing them to be converted into homes is one way of saving them from dereliction.

His regret is that by the time an application to convert a barn arrives at the council it is usually too late to find a better use for it: the farmer has been told by his accountants to sell.

Andrew would like the chance to persuade farmers to keep their barns going, as stores or

workshops.

But if a barn cannot be saved, Andrew tries to ensure that the conversion retains its "barn-ness" as he calls it. That means saying no to dormer windows and even gutters if they are inappropriate. "Barn-ness" includes the surroundings, which must be spared from suburban-looking gardens and fences, so that the historical context can be preserved.

Andrew thus finds himself at the heart of the urban-rural conflict, and is not necessarily popular with either side. Those who already have their stake in the Chilterns worry that the planners will bow to pressure to create low-cost housing and jobs, while those who aspire to a place there see him as an obstruction.

For example, he thinks the countryside should do more for farmers who are unable to provide for retirement. "Not all farmers manage to live to a healthy old age. Social facilities must be available to make that possible".

Environmentally, too, he argues that grants should be extended more widely to farms like his to help preserve the appearance of the countryside.

"Visitors want farms to look smart and tidy." But these hand-outs should not encourage people to lose sight of the reality. "People tend to forget that this is a place of work."

He wants to decide what we want the countryside to look like," Andrew says. "We must accept that change is inevitable. We have to make compromises."

Who knows how to

manage the

countryside best? The

planners or the

people who work it?

City dwellers want a

place in the country,

but at what price?

The farmer is a

dwindling breed.

Does he deserve help

to keep rural

communities alive?

The Forest of Bowland,

where Henry Bainbridge

makes his living as a farmer,

is a misnomer. It is a windswept

upland on the western Pennines

where snipe and raven wheel over the

heather and open moorland.

There is hardly a tree in sight.

This is hill farming: a tough

life which pits the farmer in a

constant battle against the elements,

poor soil – and the vagaries of government.

Bainbridge and his wife Mar-

garet have been there 35 years

as tenants on the local estate.

They have 850 sheep and a

small herd of milk cows on

their 220 acres, and they

recently won an award from a

farming conservation group.

But like all hill farms, the busi-

ness is not viable without con-

siderable aid from the govern-

ment and the EU: up to half

the price of a sheep is subsi-

dised. And government sub-

sides are relentless in their

efforts to get a piece of it for

themselves.

Much of it comes down to barns.

Since nothing can be

built in an AONB, converting

existing farm buildings is the

only way most people can hope

to secure a country home.

An unconverted barn in the Chil-

terns changes hands for as

much as a quarter of a million

pounds. So eager are people to

convert barns that they have

even sought planning permis-

sion for post-war examples

built of steel and concrete.

Andrew knows every single

of the 400 barns in his

area, particularly the 80 which

are listed as architecturally

interesting. His dilemma is

that while barns would be far

better employed as farm build-

ings than homes, many of them

become redundant as farms

modernise and merge.

Andrew knows every single

FOOD AND DRINK

Gopher recipes on the Internet – it's a virtual menu

Apala Chowdhury finds a way through a tangled web

So you have your modem and a copy of Windows '95. What can you do with it? Well, you could try eating almost.

Following electronic conversation is for real. "I have a 3ft-long dead gopher snake in my fridge right now. It's skinned. It's fresh – we ran over it a day ago and it's been kept cool since. Does anyone have any (serious) ideas as to what to do with it next? How do I prepare it?" Marjorie came to the rescue. "A friend of mine successfully makes stew out of all types of snake."

Food lovers all over the world offer and exchange advice on these and more mundane culinary dilemmas over the Internet. The information superhighway overflows with gastronomic pleasures, but you can still get hiccups. Culinary purchases from the Internet can be frustrating, time-consuming and potentially insecure.

Three main menus lead to the larger mailing lists, newsgroups (where you can discuss things with like-minded people) and the more visually attractive worldwide web sites (a company's – or an individual's graphical presence – called up to your screen via its "address" from where you can often also shop).

Mailing lists are not so interactive. Instead, you simply subscribe to them to receive e-mail about chilli recipes, for example, ("chilli-heads-request@chile.ucdavis.edu") or maybe even news from a group of beer-loving libertarians at "liberty-request@synchro.com".

Newsgroups are for socialising. Here people chat on-line: the snake connoisseur and Marjorie crossed paths at "rec.food.cooking" ("rec" = recreation), one of hundreds of official and fanzine-type newsgroups on the Internet. At other newsgroups, people talk about wine, beer, sushi, red lobster, chocolate and fat-free and low-fat food.

The vegetarian discussion group ("rec.food.veg") is informative. One woman, for example, recently

sought a vegetarian option to beef jerky. Her boyfriend, she complained, could not live without it and she hoped to convert him to her vegetarian diet. Incredibly, someone offered a solution – preparing a substitute using wheat gluten/soybean to simulate the leathery texture and marinading in jerky marinade for a quasi-beef flavour.

Finding alternatives to some rather infinitive meat foods is just one of the problems facing vegetarians. Tracking down good restaurants, particularly on holiday, is often frustrating and soul destroying. Internet gourmet travellers – vegetarians and carnivores alike –

Superhighway overflows with gastronomic pleasures, but you can still get hiccups

found at "Rec.food.restaurants" swap details on the best eating places everywhere from Rome to Las Vegas and Iceland.

Conversation skills, however, are not a prerequisite. Some subscriber services provide access to searchable restaurant guides such as CompuServe's AA Restaurant (UK) guide. My husband organised an anniversary weekend at the Hope End hotel, near Ledbury, having spotted its review there.

For a more visual treat, Web site food pages present photographs and graphics alongside text: you can dip in and out as if reading a magazine. New sites are constantly sprouting. The Electronic Gourmet Guide (EGG) ("http://www.2way.com/food/egg/index.html") is published on the first day of every month and links to other food sites. As well as its regular gourmet food quiz, Augustus' issue chides hotels for their lack of healthy menus. It also encourages people to brew their own cocktails.

Fastfood junkies, students and the lazy congregate at the Ridiculously Easy Recipes page ("http://www.sar.usf.edu/zazuetas/recipe.html") for delights including Jenny's Instant Doughnuts, microwave Quesadillas and roasted garlic sandwiches.

A sure remedy for dissolving garlic vapours may remain elusive, but the garlic page ("http://broadcast.com/garlic.htm") supplies many other useful tips. To achieve squishy garlic, for example, without laboured fine-chopping or a crusher, the secret is salt. As cybercook Jayne explains, top and tail the cloves, but not down to the skin, and gently crush the garlic into the salt. Leave for a few seconds while the salt breaks down the cells through the process of osmosis, which swells and bursts the clove. Perfect garlic for garlic bread – or even garlic beer ("http://alpha.rollanet.org/cm3/rec/07-04.html").

Even virtual food should be washed down with a nice liquid refreshment. You may not have tasted OK-Soda, launched by Coca-Cola in the US and described as a new Generation X drink, but you can read what Stateside's hippest think about it at the "alt.fan.ok-soda" discussion group.

More serious drinkers, however, can talk real ale. There are newsgroups, websites (and mailing lists) that enthuse about drinking and brewing beer in the US, the UK, France, Croatia and elsewhere. UK ale drinkers can find refuge in the beer page ("http://www.cityscape.co.uk/users/a196/beer.html"). This includes a guide to pubs in the UK and a diary of British beer festivals. Real brewing fans, meanwhile, might feel happier rubbing shoulders with the earnest brewers at "rec.food.beer".

Electronic wine-tasting, meanwhile, sounds about as sorry as correspondence sex. But here at least you get to taste the wine. One group at "http://augustus.eccer.washington.edu/personal/bigstar-mosaic/wine.htm"



holds periodic meetings after a member of the group has suggested a wine-tasting and set a future date for the wine-tasting, allowing drinkers ample time to buy the wines for the session.

On the day, participants taste the wines and e-mail their wine criticism. Though the idea of this may sound flat, Richard's description of 1990 Chianti Classico Riserva from the Villa Antinori does sound mouth-watering: "The nose had pleasant berry and cherry scents... When first entering the mouth, this

medium-bodied wine hit just enough with acidity and tannins to show potential for a couple more years... Bits of plums and cherries came through the not-too-long, but nice, finish."

Internet shoppers should be able to buy instantly and receive their goods almost immediately. UK Internet shoppers, however, are almost always left frustrated because most sales services are provided by the American sites.

Slowly, however, British companies are trading on-line. A group of

Devon fishermen are providing an on-line service to be called Cockle Shack, selling seafood such as eels, crab and mussels.

Already Sainsbury has introduced an on-line service selling more than 40 wines ("http://www.j-sainsbury.co.uk/index.html"). Its biggest problem, though, is that it lacks an established delivery network. Delivery takes 14 days at the cost of £3.95 for a single case (two cases or more are delivered free). The next-day express delivery service costs £6 for the first case and £3.50 for each

English apples are the best

Whenever you buy apples, 2p of the price goes towards the little sticker that you are forced to peel off before eating.

The fact that neither you, nor any other member of the apple-buying public, wants the sticker, will not stop it being there. Why? Because the people at the supermarket checkout are not sufficiently familiar with different varieties.

We are not talking exotica here: the varieties on sale in most supermarkets are limited to a few of the most standard. It shows the levels to which the appreciation of this glorious fruit has sunk.

People get very exercised about apples. The idea that the French have been trying to dump large quantities of their beastly Golden Delicious, originally intended for Scandinavia, where French products are being boycotted, on to the



English market inspires distinctly un-communicative sentiments among growers.

Hardly surprising: English apples are the best in the world. This year, unexpectedly, there seems to be a good crop. Experts had thought that the Saharan summer would shrivel the fruit, but the trees I pass seem to be in surplus.

An apple glut would be a serious matter. There are more than 2,000 varieties of apple in the National Fruit Collections at Brogdale Horticultural Trust, but the ones I find myself encountering at this time of year are generally from the variety known as the Wrong Sort.

Everyone knows the Wrong Sort. It is, for example, an absolute speciality of my parents-in-law's garden, producing either bulging bags of cookers (which, being too voluminous to use, tend to decompose acoustically in the kitchen)

or tart little eaters, with a bruise on one side and a wasp hole on the other. Oddly, there never seems to be any shortage of them. One of the joys of owning a horse is feeding him apples from the garden.

But experience of the Wrong Sort does not dampen my enthusiasm for English apples. On the contrary, like listening to amateur piano playing, it heightens my pleasure. Like our wholesomes, sagging apples, the English should know down before they really mean what they say about food.

Unfortunately, just as great champagne houses do not always declare a vintage, English orchards do not produce a constant supply of apples. Too many this year, not enough, perhaps, next. This is anathema to the supermarkets. But the good news is that even the supermarkets are trying, in however small a way, to improve. This year, Tesco, not everyone's idea of a specialist horticulturalist, ventured to take a stand at the Chelsea Flower Show.

It spent thousands of pounds creating a magic apple tree, to demonstrate the eight varieties of English apple which it is now selling in its stores.

Eight is not many out of Brogdale's 2,000. But, as the little stickers demonstrate, the background of connoisseur-

Editor Harry Eyres begins the new *Which? Wine Guide 1996* (£13.99, Penguin) with a thoughtfully provocative rant entitled "Youth Culture and Supermarket Wines".

He says that in their worship of "fruit-driven" wines, in which youthful primary fruit flavours are all, the supermarkets have, with few exceptions, virtually abandoned wines which have acquired the grace, and much more complex, patina of age.

"After all, if pure fruit flavours are what you are after, why not buy Ribena instead of Cabernet Sauvignon, or a fruit salad rather than some New World Chardonnay?" he asks, only slightly disingenuously.

Because of the power of the supermarkets, more wines are made to display simple, obvious and often short-lived aromas; mature wine, indeed fine wine of any age, continues to represent a shrinking proportion of bottles sold in the UK.

As my colleague Edmund Penning-Roswell has already asked on these pages, who is going to continue his tradition of laying down wine to drink many years hence?

Modern architecture is in some sense to blame. Suitably cool, dark cellar space is vanishing. And our collective nervousness about storing wine with third parties has been shaken by some well-publicised disasters.

May I suggest, however, a worthwhile compromise between hating the brash supermarket stars and the ambitiously expensive age-worthy classics?

The answer is surely a category which I may as well call Non Blue Chip France, Red Chip France perhaps.

The trick is to head for non stratospherically-priced French wines which, when young, deliciously represent

not just a grape but a place and which also, unlike so many of their New World peers, have the ability to age.

Although this is a wild generalisation, and overt fruitiness is beginning to make an appearance in some French wines, France is still by far the most important source of confident, subtle, geographically expressive wines. (Good heavens, even arch modernist Oz Clarke confesses that France is his first love in his new *Atlas from Little, Brown*.)

Some of the world's most interesting wines can therefore be found in the £5-£10 bracket of a good wine merchant's French section (and thanks to *le franc fort*, prices are almost certain to rise).

The sumptuous 1994 vintage in Beaujolais, for example, serves as a reminder of just how good serious Beaujolais can be (if that is not an oxymoron). Lay & Wheeler has a fine selection, of which the sumptuously juicy Julienas, Domaine du Clos du Pef 1994, Michel Tete and the equally seductive Céranas Vieilles Vignes, Hubert Lapierre 1994 at just over £8 a bottle, each show just what French Red Chateaux can do.

Anything Lay & Wheeler does, Adnams of Southwold invariably does too and indeed its Chénas, Bernard Santé 1994 at £8.10 holds wonderfully well for the future as well as providing a gorgeous mouthful already.

The Wine Society of Stevenage (01438-741177) is also serious about Beaujolais and its Brouilly Vieilles Vignes 1994 at £7.85 from the low-yielding vines tended by energetic Jean-Paul Dubost is as sappy and substantial as one could reasonably hope for from any red wine designed to be drunk at any point in the five years after bottling. All of these wines have much more guts

than the average anodyne Beaujolais.

Red Loire wines based on the Cabernet Franc grape ripened in a sunny vintage are other prime French Red Chateaux; they are interesting wines which need not be kept for a decade before beguiling their owners. The Wine Society has Chinon Les Picaises, Oiga Raft fault 1990 at £8.35 which is drinking beautifully now.

The Vieilles Vignes version, which I encountered in New York but cannot find in Britain, was perhaps the most memorable bottle of my summer. Not even RSJ of London SEL (0171-928 4554) Britain's great Loire-specialist-wine-merchant-cum-restaurant, can help me.

Arguably even better value, however, can be found in the LangUEDOC's best reds, on which I shall be reporting next week.

Wine / Jancis Robinson

Why buyers need cellars

Hunting for Perfection~



RARE CALIFORNIANS

at Oddbins Fine Wine shops.

"These treasure troves, now in London, Edinburgh, Glasgow, Cambridge and Oxford, have one of Britain's best ranges of fine Californians."

Financial Times
Rutz, Talley, Foxen, Edmunds St. John, Woodward Canyon, Sean Thackrey, La Jota, Durney, Peter Michael, Green and Red, Wing Canyon.

Over 40 examples of California's scintillating best are available at each Oddbins Fine Wine shop. They offer outstanding value for money and are a match for any of the world's finest wines.

NOW OPEN: OXFORD

LONDON

Farringdon Street

0171-329 6989

LONDON

Notting Hill Gate

0171-243 8665

EDINBURGH

Queensferry Street

0131-225 5707

GLASGOW

Mitchell Street

0141-221 3294

CAMBRIDGE

Regent Street

01223-358483

OXFORD

Little Clarendon Street

01865-582838

CLARETS AND VINTAGE PORTS

WANTED

We will pay auction hammer prices.

Payment immediate.

Please telephone

Patrick Wilkinson 0171-267 1945

or Fax: 0171-284 2785

WILKINSON VINTNERS LIMITED

Fine Wine Merchants

Constance Rd London NW3 2LN

Clarets and Vintages

Wine

Wines

TRAVEL

Richer than the finest mosaic

Nicholas Woodsworth meets an old priest in Cyprus and is stirred by his simple faith

I was headed for Sipahi, a hamlet not far from the tip of Cyprus's Karpash peninsula, looking for a church. Ayia Trias, a 6th century basilica there, is reputed to harbour some rather fine mosaics executed in the style of the school of Antioch.

My excitement over such a prospect was containable; I am no specialist on basilicas, and even less on Antioch-style mosaics. But Sipahi lies in the most isolated and undeveloped part of northern Cyprus, itself one of the most isolated and undeveloped parts of the Mediterranean. I was curious. Mosaics seemed as good an excuse as any.

Hard light bounced off every surface as I drove along that morning. It was difficult to look down the slow, pot-holed road without squinting. This was a deserted, biblical landscape, a sun-scorched Levantine plain that offered little of the comfort we associate with the Mediterranean.

Flocks of sheep wandered through rocky hills and on to wheat fields lying dry and stubbly after the harvest. Groves of tough and gnarled olive trees stretched away on the edge of still and silent villages, tethered donkeys stood somnolent under trees.

their heads drooping in the heat.

The villagers themselves were not much livelier - seeking cool under grape arbours or on the shady terraces of village cafés, they browsed over empty coffee cups, their worry beads idle in their hands, their whisky chins sunk too low even for idle talk.

The impression of abandon, of depopulation and decline, was no illusion. In 1974, the Turkish army invaded northern Cyprus to prevent Greek Cypriot extremists from forcibly uniting Cyprus with Greece. Amid the fighting and confusion, 160,000 Greek Cypriots fled to the southern part of the island leaving homes, villages and farms to be claimed by a Turkish Cypriot minority, just one-fifth of the total population. The villages of the Karpash, predominantly Greek, became ghost towns overnight.

More than two decades later, that ghostly feeling remains. In each village square stands a well-maintained monument of flags and marble busts honouring the alliance between Northern Cyprus - today a self-proclaimed Turkish republic - and Turkey itself, still an armed military presence in the area.

The animosity and distrust engendered by the age-old feud

between Greek and Turk persists and the island remains divided. But if the Greek south, supported by mass tourism, is steaming into the future, the Turkish north, embargoed and unrecognised by the rest of the world, continues to drift in some timeless limbo.

None of them was functioning, though - at least, not for the purpose it was designed. Most were locked and, like the uninhabited houses, falling slowly to pieces. One atrium had become the winnowing ground for the wheat harvest, another a parking lot for lorries. Those churches that were kept up had odd additions tacked on: fitted with minarets and loudspeakers for broadcasting the call to prayer, they had been converted into mosques.

I failed to find Ayia Trias that day. But it did not matter, for, in stopping on the edge of Sipahi, I came across something far more intriguing.

Below, the sea lay blue on the horizon. In the field beside me, a row of women in bright head scarves were bent low, picking potatoes. A little further on, windfall oranges lay rotting in the red earth. But opposite me, from the open door of a church much smaller than Ayia Trias, issued the sound of a chanting voice.

This was not a mosque for, above its whitewashed walls and blue-painted doors, stood a small bell tower and cross,

room: others were fully-fledged, three-aisled, domed and columned basilicas large enough to accommodate entire villages.

None of them was functioning, though - at least, not for the purpose it was designed. Most were locked and, like the uninhabited houses, falling slowly to pieces. One atrium had become the winnowing ground for the wheat harvest, another a parking lot for lorries. Those churches that were kept up had odd additions tacked on: fitted with minarets and loudspeakers for broadcasting the call to prayer, they had been converted into mosques.

I failed to find Ayia Trias that day. But it did not matter, for, in stopping on the edge of Sipahi, I came across something far more intriguing.

He disappeared behind the apse, then returned carrying a white wax taper which he handed to me, indicating candles already burning in a tray of sand. I lit it, then let him show me to the nearest of dozens of empty chairs. He sprinkled me with perfumed water and then proceeded with the service - prayers, scripture reading and singing.



not a tooth in his head. He made Turkish coffee. While we waited for the water to boil, he began showing me a pile of old photographs. All of them pictured village peasants, scrubbed and smiling and dressed in their Sunday best. Who were they? His former congregation? Had he baptised these children, married these couples, buried these old men? Why had he not fled south with the rest of his people almost a quarter-century before?

I could not tell. For me, these people shall always remain without a history, for the priest spoke not a word of English, and I not a word of Greek. He talked nonetheless, explaining each photo, and I listened, nodding.

It did not really matter that we did not each speak the other's language. I am not much of a Christian, and admire its brand of chauvinism no more than I admire Moslem chauvinism. But here was something infinitely richer than the finest of Antioch mosaics. In his solitude and simplicity, his refusal to abandon his belief and a church now deep inside a foreign land, I had to admire this man. Why, I wondered, is faith so much more attractive in adversity than prosperity?

The priest could give me no answers and I could ask him no questions. Instead, we remained content with the photos, sipping sweet coffee and gazing out the front door at a lemon tree that grew there in the tall grass.

The greatest road to glory, after the path to Rome

Adam Hopkins takes the well-trodden route to Santiago de Compostela

Quite a few folk, as Geoffrey Chaucer famously observed, positively long to go on pilgrimages. The author of the

Canterbury Tales linked this predilection to the month of April, with its sweet showers, spring flowers and birdsong - "smale fowles maken melodye".

But should you decide, as a modern-day observer, to take the road to Santiago de Compostela, in north-western Spain, you will find pilgrims at any time of year. The route was for centuries, and still remains, the greatest pilgrims' road of Europe. (It was challenged, historically, only by Rome. Jerusalem, often inaccessible, was a different matter.)

So there they go, in their brightly-coloured, contemporary walking gear - although

maybe with a staff and scallop shell as well - trudging painfully across the Pyrenees, or biking, or riding (both are permitted methods of pilgrimage, entitling you, with some qualifications, to a certificate called the Compostela).

Then they slog through the Pyrenean forests, on through wheat and vines and magnificent scenes of cliff and gorge and mountain, traversing Navarre and the Rioja and the great plains of Léon, until finally attacking the steep Bierzo Mountains, marking the entry to Galicia.

Although there are several variants, the main route is 800km in length from the Spanish border to the supposed tomb of Santiago, St James the Apostle.

For walkers, the pilgrimage usually takes from 30 to 40 days. Most people stay, for a nominal sum, in pilgrim hostels of variable quality.



I followed the route during the summer, as I have done before, marvelling at the rich accumulation of art and architecture along the way - of monasteries, churches, hermitages, original hostels, wide-arched bridges, mostly Romanesque and marked at every

point by the humble, often wonky and thoroughly humane sculpture of the period.

The original pilgrimage seems to have been genuinely pan-European, bringing in, at its height, up to 500,000 people a year. Most modern pilgrims,

unsurprisingly, are Spanish. Germany and France follow, with Dutch and British next and just a few unexpected participants - Icelanders and Japanese, for instance. (There is an excellent Japanese guidebook to the route.) The minimum terms for gaining the Compostela are 100km of the route on foot or 200km by bike. Some 100,000 people accomplished this in 1993, the last Holy Year (when St James's Day falls on a Sunday), with figures down to a more normal 16,000 in 1994.

The Spanish church believes that more than two-thirds make the journey for religious reasons. Most of the rest state that their aims are cultural as well as religious, while some 3 per cent describe themselves as purely cultural pilgrims - and therefore receive no Compostela.

One Belgian penal institution - heavily averse to publicity - allows its young inmates to make the pilgrimage as an alternative to confinement; and this year, I encountered several German social workers taking their charges on the route.

"These are young people with many problems," said one of the social workers. "It's important for them to do something absorbing and enjoyable, have a laugh along the way. But they have to realise, too, that they must confront the necessity of change in their relations with society."

Change is the watchword.

Some, even if good Roman Catholics, do the pilgrimage as a physical challenge. Others think about it for years, then undertake it as a reaction to a particular trauma - the death of a child or parent, involuntary retirement and so on. This group, undoubtedly, is seeking change and re-evaluation of their lives. As they travel, so they embark on deep and often unexpected experience, full of new insights, even a sense of revelation.

"That's it," says Nancy Frey, an American anthropologist who is engaged in a study of the Santiago pilgrimage. "They are unwrapping the onion of identity, deliberately opening themselves to change."

"That's it," says Don Jaime, more prosaically Father Jaime Garcia, long-term head of the Pilgrims' Office in Santiago and the acknowledged, genius of the route. "The true pilgrim has a desire for inner renovation and is actually tackling the enormous questions, the meaning of life, the purpose of creation."

It is Don Jaime who must sign the pilgrims' Compostela, or not, if he does not reckon they are bona fide.

Most new arrivals go first to the cathedral, that wonderful building with its great 18th century facade concealing the Romanesque portion of Glory, multi-storied, and the gaudy image of Santiago just behind the altar, with a brass cockle shell attached to its back, shiny with the kisses of the faithful.

The next step is to report to Don Jaime's office.

Some come bursting in to



The cathedral in Santiago. First stop for pilgrims

Adam Hopkins

with his father is offered, subject to Don Jaime's ratification, by the outer office.

"Are you a Catholic? Are you even a Christian?" shouts this raging, raving father. Suddenly, I realise what Don Jaime, custodian of the pilgrimage, is up against. As I leave him, he is opening negotiations with a group of American students from Alicante. They have only doce soñan along the way and want a Compostela all the same. I hope they do not get it.

There are, however, other rewards, apart from spiritual ones and Compostelas, for making the pilgrimage.

The first is a sense of belonging, for a few days at least, in proper historical succession, to the magical granite city of Santiago, where flecks of mica make the grey stone shine so that the buildings look as if they are wearing jewellery and where good seafood restaurants abound. It is a

wonderful place, even if you are not a pilgrim.

Then there is the matter of the less expensive meals. Ten pilgrims a day - first come, first served - can take their breakfast, lunch and dinner, completely free, at the magnificient 15th century pilgrims' hostel adjacent to the cathedral, the Hostal de los Reyes Católicos, no less, now one of the finest hotels in Spain.

But they have to go in by the garage, so 100 metres or so through tiled corridors, and ascend many flights of stairs before they may eat the food supplied for the staff canteen - good food, but something of a fall from earlier days, when the building was theirs alone and there was no question of hiding them away from hotel guests.

Then there is the botafumeiro, the cathedral's enormous incense-holder, hauled on its long rope by a team of religiously-garbed muscle-men. It swings over the heads of the congregation, on Saint's days and other special occasions, from transept to transept, in a wild, flattened arc, extremely dangerous in appearance, trailing its clouds of sweet-smelling smoke.

But even this is not enough for some. Unsatisfied, unable to stop, many continue on to the coast, to the great cape of Finisterre, (Galician Fisterra), where Europe ends and the blue yonder definitively begins. This is the place to watch the sun go down in the far west, in echo of Celtic sun-worship, and - who knows? - completion of a pilgrimage far older than that of Santiago.

A world class business school is just around the corner

You don't have to leave the country to find a world renowned MBA programme. London Business School's nationally and internationally top ranked MBA Programme comes in two formats.

The 21-month full-time MBA Programme offers a world-class management education in a truly international environment, attracting participants from 41 countries. It begins in October each year.

The Executive MBA is a part-time, day release programme which means you can reconcile the requirements of a rigorous management education with the demands of your current job. It begins in January each year.

There are, of course, dozens of other options. But when you're making a commitment that will be so important to your future, why would you settle for less than the best?

For further information, please attach a business card or write/fax to: Ms Jenny Baxter, MBA Information Officer, London Business School, Sussex Place, Regent's Park, London NW1 4SA, UK. Telephone: +44(0)171-706 6859. Fax: +44(0)171-724 7875. email: mba-info@london.ac.uk Visit our web site at: <http://www.london.ac.uk/>

Please send me details on the: Full-time MBA Executive MBA (please tick)

Name:

Company:

Address: (home or office)

Postcode:

Telephone:

Number of years' work experience _____ Do you hold an undergraduate degree? _____

FT/14/95

London Business School exists to advance learning and research in business and management.

London
Business
School

FACTFILE

Adam Hopkins travelled Plymouth-Santander with Brittany Ferries (tel: 01752-221321). A car and up to five passengers, on an eight-day return in autumn, costs from £404 with cabin extra.

On finishing the route, he stayed just outside Santiago at 11 the Casa Grande de Cormide, a traditional stone house run as an elegantly rural B&B, staffed with contemporary Galician art.

Owner Ramon Pouza, university lecturer and author, is a noted, if somewhat sceptical, authority on the Pilgrims' Way. Maria Jesus Castro, his wife, co-owner and teacher, runs the B&B. Tel (from UK) 00 34 81 - 80 55 99.

For information on the pilgrimage: Confraternity of St James, 3 Stamford Street SE1 9NT. Tel: 0171-693 0013.

الطباطبى

BOOKS

E. M. Forster's motto was "only connect". Making connections is the essence of understanding. To grasp an idea is to see its connections with other ideas; how it follows from them, or implies them, or combines with them into more complex ideas. Another Forsterian way to understanding is offered by analogies. An analogy is an illuminating connection between different concepts, as when we represent relationships among people or organisations as a network, or describe a city as a jungle to capture its stressful and sometimes risky complexities.

Because analogy and metaphor help us to understand difficult concepts via simpler ones, they are powerful educational tools. But it takes skill to choose the right analogies, and to exploit them to the full. Both Peter Atkins and Ian Stewart have that skill, using clever and highly entertaining techniques to explain their sciences, respectively chemistry and mathematics, for readers who are

virgins in both. One is bound to applaud their publisher too, for an outstanding achievement in realising the "Science Masters" series to which these volumes belong.

Atkins's book is a survey of the chemical elements. Remember the Periodic Table hanging up on the school lab wall, inextinguishably associated with the smell of rotten eggs? In those austere days the table was presented in forbidding alphabetical-numerological guise, calculated to glaze most youthful eyes. In Atkins's imagination the elements constitute a *Raiders of the Lost Ark* land with a Western Desert and a dangerously radioactive Southern Island, and he flies us over it, walks us through it, and takes us underground, to show how the immense luxuriance of the universe arises from the mere hundred or so elements that make it up – all of them, apart from helium, in

effect being variations on just one: hydrogen.

We learn how matter began, how the elements were discovered, and how they are named, each in brilliantly brief epistemological chapters. As to naming, Atkins tells us that in making their choices chemists avoid triviality (for example, Mickey-Mouse-ium), blasphemy (god-ium) and obscenity (****-ium). In two marvelously lucid chapters we are told about the structure of the atom, on the basis of which Atkins makes the logic and harmony of the periodic table breathtakingly transparent. We are told that there is the possibility of a tantalising, yet-undiscovered elemental Atlantis off the coasts of the Southern Land, which might explain, among other things, why some of nature's phenomena are so infinitesimally short-lived. And Atkins describes a bleakly possible

THE PERIODIC KINGDOM
by Peter Atkins
Weidenfeld and Nicolson £19.99.
163 pages

NATURE'S NUMBERS
by Ian Stewart
Weidenfeld and Nicolson £19.99.
164 pages

FIVE EQUATIONS THAT
CHANGED THE WORLD
by Michael Guillen
Little, Brown \$18.99, 277 pages

long-distance future for the universe, in which everything slowly turns to iron, then melts away in a cloud of radiation.

Ian Stewart writes with equal lucidity. Everything in the universe has its patterns: the movement of

the stars, the waves of the sea, the rainbow's colours, the tiger's stripes. Mathematics is, Stewart shows us, the art of descrying and describing those patterns. There is a thrilling, Sherlock Holmesian character to mathematics, which has what at first seem odd or oblique ways of sneaking up on nature's rhythms to capture them at work. For example, Newton's laws of motion turn on thinking not about the speeds of objects, but about their velocity, which is the more complex concept of speed and direction taken together; and then of measuring the rate at which speed-plus-direction varies – for example, as when a thrown ball rises in the air, hangs momentarily, then falls. Newton's description of these phenomena consists in a representation of their hidden patterns as an equation. In that creative re-visioning of patterns

and relationships lies the secret of mathematics power.

If you wish to know how mathematics makes sense of symmetry in animal movement, or to understand chaos theory, or to grasp the dynamics of a water-drop, Stewart's book is the place to look. With these insights into the revelatory power of mathematics he offers a highly attractive invitation to find out more about this remarkable way of viewing the world.

If these books are models of their kind, Michael Guillen's comically appalling effort is the exact opposite. Wishing to provide a racy dramatised account of five important scientific discoveries, Guillen has produced a haphazard narrative that would make a seven-year-old wince. For proof and your entertainment let him speak for himself:

"On February 23, 1812, Faraday

leaped up the stone steps and rushed through the heavy doors of London's Royal Institution. Symbolically, it was like the storming of Versailles, except it was Faraday who would lose his head, not any of the noblemen who dwelt within. This was the evening for which he had been waiting so long. For years, he had fantasized about this palace of science. And now, as he gawked and walked his way through the opulent antechamber and into the auditorium, Faraday nearly swooned at the reality of it all."

There are nearly three hundred pages of this Pooterism and worse. If it had appeared first in *Private Eye* it would be a classic "storming Versailles" is genuinely funny (Guillen never manages to tell his Bastilles from his Versailles) and "swooning at the reality of it all" deserves to become a catch-phrase. Guillen shows how popular science writing should definitely not be done.

A.C. Grayling

Victorian chancellor who made the job

Malcolm Rutherford enjoys one statesman's biography of another

The life of William Ewart Gladstone spanned almost the entire 19th century. Born in 1809, he died in 1898 and was in many ways the epitome of the Victorian era. His politics matched the mood of the age; he became more liberal as the century grew older. As a political leader he arrived rather late: he did not become chancellor of the exchequer until he was over 40 and did not assume the first of his four premierships until he was nearly 60.

Lord Jenkins of Hillhead, some 30 years ago a biographer of Asquith, describes his new work as his "rashly literary enterprise". So look kindly

GLADSTONE
by Roy Jenkins
Macmillan £20, 608 pages

on the first 130 pages or so, for the reward comes later. Jenkins decided that since Gladstone lived to such a ripe old age, the early life must be of interest. It is full of religion, some out-of-courtship, and the University of Oxford. Religion played a very important part in 19th century life; so did Oxford. It was Gladstone's move away from the supremacy of religion (though not from personal faith) and his switch to wider constituencies than the university that helped him to develop from a Conservative to a Liberal leader.

Gladstone was one of the first politicians to take politics to the people. He loved the railways, where trains would stop at passing stations to allow him to address the local crowds. Knowledge of the Britain outside central London helped him understand the way the country was moving.

Jenkins is in many ways the ideal biographer. Both men changed parties, through Jenkins by founding a new one. While Gladstone moved to the centre from the right, Jenkins arrived in the same position from the

left. If Gladstone were alive today, they would have much in common. Jenkins, as chancellor of the university, has all of Gladstone's interest in Oxford. When Jenkins fought his by-election campaign for the Social Democrats, it was in Warrington, part of a seat once held by Gladstone. Jenkins then went off to win a constituency in Glasgow; Gladstone had gone to Midlothian, not far away. And at the height of the Social Democrats' fortunes Jenkins, like Gladstone, was a most powerful speaker.

Above all, both were chancellors of the exchequer. Jenkins perhaps the most successful since 1945. In this area at least, Gladstone is his hero. The chapter on Gladstone's first stewardship is headed "The Chancellor Who Made the Job". So he did. Gladstone's first budget speech in 1853 lasted four-and-a-half hours and, as Jenkins notes, it was not just a budget for a year, it established a system of finance for the third quarter of the century. He said he was against income tax, but was not embarrassed to put it up – or down – when necessary. In an unusual flight of phrase, Jenkins credits the 1853 speech with "a strategic daring worthy of Alexander the Great and a thundering eloquence worthy of Demosthenes".

The great work on Gladstone in recent years has been done by Professor Colin Matthew, who edited the voluminous Gladstone diaries and wrote introductions which have been published as two volume biography, and to whom full tribute is paid here. But Jenkins has one asset lacking to professional historians: direct experience of politics. Thus *Gladstone* is full of references to what came later. For example, "Gladstone, like de Gaulle, was conceited rather than vain". And on Disraeli's 1852 budget, Jenkins notes that the official estimates were "pessimistically false, a somewhat persistent Treasury habit". Such comments enliven rather than distract.

It remains that, apart from surviving as a grand old man, Gladstone did not achieve a great deal. As Jenkins observes, he was lucky in his period: a time when British prosperity was at its height and there were no great wars to be involved in. He was the biggest beast in the forest, especially after Palmerston and Disraeli, both of whom he distrusted, had gone.

His greatest gift was oratory. Jenkins notes two speeches where Glad-

stone thought he was most appreciated. One was to an audience of preachers, the other to a group of actors. It was because Gladstone recorded, they knew what he was trying to do.

The irony of his political career was that he went down on Ireland, the subject on which now he would be judged most prescient. On Home Rule he was ahead of his time; otherwise, he went along at about the pace of

Victorian growth and the spread of the franchise. One hopes that this will not be Jenkins's last book. He is so remarkably venomous about Chamberlain and the Earl of Rosebery that he might say more. Equally he is not fond of Queen Victoria, notably in her treatment of Gladstone. She wrote to his widow on Gladstone's death: "He was one of the most distinguished statesmen of my reign". Jenkins puts him higher.

A socialist among celebrities

Autobiographies can be disappointing, when important people turn out to have had a very conventional early life. But sometimes the opposite is true, and someone you thought of as almost a nonentity reveals a quite unexpected past.

It was when Dennis Walters, a Tory backbencher known only for his fidelity to the Arab cause, recounted his teenage exploits helping the partisans in wartime Italy. And so it is with Graham Thomas, whose recent career has been devoted to championing the cause of Sadiq al-Mahdi, a high-minded but ineffectual Sudanese politician. Thomas's past emerges as much more interesting than his present.

Far from the valleys Thomas certainly went, when in the 1950s he became a colonial education officer in Sudan and Kenya. Actually he was more a grandchild than a child of the valleys, since his father left the pits in the year of his birth, 1921, and moved to London.

Young Graham had a typical (i.e. pretty miserable) working-class childhood in South London, leaving school at 14 to work as an errand-boy for Whipple's, the ecclesiastical tailors. But then his father got a job as a caretaker in Chancery Lane. Graham became an office-boy in the City and joined the Holborn Labour Party, which brought him into contact with a galaxy of Bloomsbury eccentrics and crypto-commies. In the latter category was Willy Duesenberg, the Comintern's star organiser of peace movements and anti-fascist fronts; in the former Lella Faithfull, wife of a major-general with "a hush-hush post in the War Office", who would make militant speeches on the Spanish Civil War and then rush off to tea at Buckingham Palace.

But while most of his friends were renouncing pacifism and urging resistance to Franco and Hitler, Thomas moved in the opposite direction and by 1940 found himself striving to convince a tribunal in Cardiff that he was a genuine consci-

entious objector in the week after Dunkirk. A lonely position indeed, but he succeeded.

There followed two years at an Anglo-Catholic seminary in Nottinghamshire, at the end of which he failed his exams. He went back to Cardiff, and secured a place at the University of Wales, where he read archaeology, English, history and philosophy. Why these subjects? Because the lectures were on Mondays, Wednesdays and Fridays, the days he had off from his part-time job in a Welsh nationalist bookshop.

Thomas found another galaxy of eccentrics to describe among his professors, but also ran the Debating Society where he persuaded various luminaries of the postwar Labour government to come and speak, even forcing his way into No. 11 Downing

FAR FROM THE VALLEYS
by Graham F. Thomas
Book Guild £15.95, 203 pages

Street to see Herbert Morrison. By 1950 he is Labour candidate for Monmouthshire, and married to the party's women's organiser for Wales. They go to Dublin for their honeymoon, armed with introductions to Sean MacBride (then foreign minister) and Eamon de Valera (then in opposition), both of whom lend them cars but neither of whom they dare mention to the other.

Later, through de Valera, they get an audience with the Pope. But by then they have moved into colonial service, and somehow celebrity collection seems to have become an end in itself, rather than an amusing side-effect of a career dedicated to socialism. Actually Thomas cares deeply about the Sudan, but having dealt with that in other books he here confines himself to name-dropping and anecdotes about grotesque colonial "characters", and the book rather peters out. A pity, because the early chapters are excellent.

Edward Mortimer

Travails of a columnist

Heffers' wryly entertaining "Freelance" column to the Times Literary Supplement. These deserve to have reappeared in book form.

Williams does much more than make coffee, pop out to the shops or worry about his

most of his family. He writes entertaining tributes to his father, the actor Hugh Williams, and his mother, Margaret Vyner (who inspired Cole Porter's "You're the Top"), and retelling actor-brother Simon's anecdotes (Joan Collins, who can't return his call because she has "flu" – "Never mind. Couple of days on her feet and she'll be back in bed in no time"). His wife, who just happens to be a tightrope walker, becomes involved with a chirrily stupid fashion-dance performance in Latvia.

Among Williams's own antics are his ill-fated experiment with transvestism, his attempt to unmask a sexual

column. For a start, he is very much a part of the literary circuit, performing at readings, teaching at creative-writing courses, attending festivals. In this book he turns up at literary junkets in Israel and former Yugoslavia and reads his poems in such places as the Sussex Motor Yacht Club and Crediton, Devon (where he is typically tormented by a justly neglected poet).

He is particularly amusing

about the variously weird workshops where he finds himself teaching, but why he keeps accepting these invitations is a mystery since he is sceptical of what he calls the "creative-writing scam". Still, they do provide him with green copy, as in his report of the goings-on at Skyrus where his writing group is part of a "personal development" holiday which also offers "Gestalt therapy, psychodrama or psychotherapy", improving pursuits mainly devoted to making a lot of noise. As creative-writing tutor at another New Age rip-off in Spain, he is encouraged to embrace an aged olive tree: "I don't think I can put into words what we were supposed to be doing. Empathizing with the tree? I'm afraid so."

Williams also makes the

FREELANCING:
ADVENTURES OF A
POET

by Hugo Williams
Faber £14.99, 241 pages

most of his time. He writes to his mother, Margaret Vyner (who inspired Cole Porter's "You're the Top"), and retelling actor-brother Simon's anecdotes (Joan Collins, who can't return his call because she has "flu" – "Never mind. Couple of days on her feet and she'll be back in bed in no time"). His wife, who just happens to be a tightrope walker, becomes involved with a chirrily stupid fashion-dance performance in Latvia.

Among Williams's own

Brian Moore is sometimes optimistically compared with Graham Greene, which means little more than that he is a "Catholic novelist" who tackles serious themes in an accessible style and is not ashamed to write quasi-thrillers. He made his name with a number of very intense novels set in his native Ulster, but that was many years ago.

In *The Statement* he tells of the last days in the life of Pierre Brossard, a 70-year-old Frenchman who worked with the Gestapo as a member of Petain's *milice* and has for 40 years been on the run, protected by the Church and also by elements in the police and, it emerges, at the highest levels of the French Establishment.

The old man is pursued through the South of France by assassins and is sufficiently alert to kill two of them, assuming that they are from a Jewish vengeance squad: the Cardinal has decided that Brossard is no longer to be given shelter; the Catholic right-wing still sympathetic to his anti-Communist and anti-Semitic justifications, continues to protect him.

Moore is therefore writing about a France which is even today still coming to terms with the war and the Liberation. He focuses on issues familiar to the Catholic novelist, such as forgiveness, repentance, contrition; does a priest obey his conscience or his Order? Is the Church's act of

Fiction/J.D.F. Jones
ILLUSIONS,
true and
false

pardon an adequate alternative to mercy, or prosecution, in the law?

This might have made a powerful novel, but the sad truth is that *The Statement* is curiously routine, almost perfunctory, stuff. Moore seems to be going through well-practised tricks without his usual fluency – the pages turn, but there is too little drama or engagement. We have surely been here before, and Greene would have spotted it.

In contrast, Isabel Colegate, whose best-known novel is *The Shooting Party*, has produced a quiet, intense, deeply-imagined book about the discoveries of

mature middle-age. The sister, Edith, pays a mid-winter visit to her brother Alfred in their family home in the Mendips. Both nudging 80, they are reminded of their very different lives: she is energetic, bossy, a Londoner who was once a pre-SDP politician and now runs a language school.

The sister, Edith, pays a mid-winter visit to her brother Alfred in their family home in the Mendips. Both nudging 80, they are reminded of their very different lives: she is energetic, bossy, a Londoner who was once a pre-SDP politician and now runs a language school.

THE STATEMENT
by Brian Moore
Bloomsbury £14.99, 217 pages

WINTER JOURNEY
by Isabel Colegate
Hamish Hamilton £14.99, 300 pages

THE ILLUSIONIST
by Jennifer Johnston
Sinclair-Stevenson £14.99, 219 pages

He is a fine photographer, a traveller now at peace, a bit of a recluse, whose memories are of London in the 1960s and the girl he loved and lost. Edith's arrival provokes both of them to re-visit the past and, in their different ways, to come to terms with it and also with their future. "It is extraordinary" – writes Edith to a friend – "how whole pockets of feeling can be stored away, for

gotten for years, and then quite unexpectedly re-emerge in all their pristine fervour...". This is where Colegate is at her best. The accompanying detail – of Somerset, of the winter countryside, of the City, Chelsea, Tuscany, India – is beautifully controlled. I suppose you might say it is a novel about England. At a simpler level, it is about a brother and a sister, and it reads true.

Winter Journey is far more successful, and worth your time, than *The Illusionist*. Jennifer Johnston is a respected and experienced Irish novelist who has written a sour little fable about an Irish novelist looking back on her marriage to a mysterious and extremely unpleasant *président* whose grand "illusion" is to summon an angel out of white doves, something like that. Or is the bird act a front for a more sinister trade?

He and 150 of the doves are blown up by the IRA, which brings mother and daughter together for a grisly few days of retribution ("You bloody Irish. Blew him to bits and those pathetic birds..."). I think you are the only person in the world I really hate...). The master of illusion, they discover, had been lying to both of them: all is pretence.

The prose style is so mannered as to be pretentious – it is the sort of fine writing which is described as "technically brilliant". Perhaps so; it is also extremely irritating.



Heffers of Cambridge are proud to announce the latest addition to the family - Heffers by Post.

Heffers by Post brings the range of books, CDs and multimedia available from our Cambridge city centre shops to the world at large.

With 40 pages packed with books, music, multimedia and gift ideas brought to your doorstep three times a year, Heffers by Post offers you quality shopping without leaving home.

Issue 1 is out now, for your free copy please write to: Heffers by Post, Dept FT, Rustat House, 60 Clifton Road, Cambridge CB1 4FY; telephone 01223 (overseas 4

BOOKS

Michael Portillo is the young matador of Tory politics. Beautifully coiffured and manacled, proud of his Castilian origins, he strides into the political hull ring braced for a fight. As his favourite targets loom into daylight – excessive public spending, European Union directives, the antics of the liberal media – he speaks without remorse. Anyone who heard his speech to the Conservative party conference this week knows his ability to arouse the emotions of an audience over these issues.

That may not be how the 42-year-old cabinet minister, now in charge of defence policy, would like to see himself. Those who work with him say he is a man of formidable intelligence and some modesty. But he has cultivated the image of a tough fighter, and it is lapped up by his followers. Tory activists, especially the young, have an admiration for Portillo once only reserved for Lady Thatcher herself. They see him as her chosen heir and successor. As Michael Gove hints in the subtitle of this book, he is regarded as "the future of the right."

That subtitle is daring because, in the last few months, Portillo has faced an unusual setback. When John

Prince in waiting

In this book Portillo can do no wrong, discovers James Blitz

Major stood down as Tory leader in June, it was another hero of the right, John Redwood, who threw down the gauntlet. Portillo, they say, lost his nerve, uncertain whether to stand or not. Redwood was the man with bravado, the one who could play for high stakes. Right wing Tory MPs return to the Commons next week with their loyalties divided.

None of this has dampened Gove's enthusiasm for his subject. His biography is an unauthorised work, but the author – in a well-written but hagiographical book – wants you to know that this is the coming man he is talking about.

What are the elements needed to make up the hero's life? First, the insistence that we must know every detail. His appearance in Ribena advertisements as a boy, his success with school play budgets, his passion for Wagner – all this is meticulously recounted. Then there is a large dollop of Iberian romance. His father, Luis, was a Republican activist in the

Spanish Civil war and a fugitive from Franco's dictatorship. That is where Portillo junior gets the "personal austerity" and sense of loyalty to friends and allies which he is said to regards as "the highest human virtue".

Then, of course, we must have the epic scenes on the road to power. First, Portillo's utter devotion to

MICHAEL PORTILLO: THE FUTURE OF THE RIGHT
by Michael Gove
Fourth Estate £20, 288 pages

Thatcher on the eve of her downfall in 1990, when all had given up hope that she could continue to contest the leadership election. Barred from entering her Commons room to urge on the fight, there were scuffles with her minders, "hands were raised, fists were clenched and oaths were exchanged."

There is an attempt to make Portillo a more human and fallible figure.

Here the culprit, it is alleged, was David Hart, millionaire Tory supporter and freelance activist, who was itching for Portillo to stand. His involvement in Portillo's affairs is a disaster, it seems. If the minister did authorise the phone installation, it looked like he was plotting to knife Major. But if Hart was responsible, then why, asks Gove, is Portillo associating with a maverick like that?

The author need not be too concerned about Portillo's chances for the Tory leadership. It is too early to write him off. He has a formidable network of supporters within the party. And Redwood's reputation as a remarkable thinker is tempered by a lack of worldliness.

But if Portillo is eclipsed in future years it will be because of another politician with a formidable determination to change Britain. Like Portillo, Tony Blair is young and dynamic. He has a considerable personal following in his own party. And that determination to rein back the welfare state echoes much of what Portillo has called for in recent years. No, the danger for right wing Tories – and for Michael Gove – is that the public will crown the cunning Pretender and not their Crown Prince.

Bad boy of Russian politics

There are thousands of Russians like

Vladimir Zhirinovsky. They are poor boys from the provinces living in Moscow, and at the slightest provocation they inflict their company on strangers in restaurants and railway buffets. They are noisy and opinionated. They also experience enduring resentments. Somehow the world has always underestimated and mistreated them.

Zhirinovsky exhibits these qualities to an extreme degree. He has turned bad manners into an art form. When talking to *Playboy* magazine last year he made a crude pass at the female interviewer. On other occasions he has thrown flowerpots at demonstrators in Strasbourg and a glass of orange juice at a political opponent on a Russian television chat show.

He is a bad boy, and he knows it; and he thrives on the flaunting of his foibles and obsessions. He openly contends that there is no such thing as damaging publicity. His notoriety has established him as an international figure. He is never out of the newspapers, and acquired much influence in the State Duma after the elections of December 1993.

This new book by émigré writers Elena Klepikova and Vladimir Solovyov testifies to the cunning and determination involved in his rise to prominence. Born in the Kazakh capital of Alma-Ata, Zhirinovsky's father died when he was a baby. His mother took up with another man and ignored her children. He escaped from penury only when, with difficulty, he secured a studentship in Moscow. But on graduation his career did not flourish. When he was sent as a Soviet representative to Turkey in 1968, his efforts at spreading Soviet propaganda was so hamfisted that the Istanbul authorities deported him.

What gave him his second chance was Gorbachev's *perestroika*. At the open mass meetings of the late 1980s Zhirinovsky perfected his undoubted oratorical and literary skills. When Gorbachev repealed the political monopoly of the communist party in 1991, Zhirinovsky's Liberal-Democratic party was the first to gain a licence to operate in the new multi-party environment.

This cannot have been an accident. Zhirinovsky must have had support from within the communist establishment. The official archives on this episode are still secret; but it is a reasonable speculation that Zhirinovsky's nationalistic advocacy of the need to sustain the Soviet military-industrial complex was regarded as a potentially useful alternative to Marxism-Leninism if the communists themselves were to lose power.

Loss power they did in 1991, and Zhirinovsky's links with the military-industrial complex have been strengthened. Klepikova and Solovyov supply

electoral statistics on the size of his following in the Russian Army. The statistics have yet to be authenticated. Yet in general there can be no doubt about his appeal to Russian military officers. In spring 1995, defence minister Pavel Grachyov granted him the rank of lieutenant-colonel.

But what does Zhirinovsky stand for? Klepikova and Solovyov hint that they believe him to be a fascist, but they also point out that Zhirinovsky has a lawyer's training and successfully sued former prime minister Yegor Gaidar for accusing him of fascism.

Consequently, instead of offering an explicit analysis, they cagily make their point by highlighting aspects of Zhirinovsky's pronouncements that are reminiscent of the European dictators of the 1930s.

Zhirinovsky wants to rebuild the Russian Empire. He wants to conquer further lands through to the Indian Ocean. He tolerates no political rival: the *Führerprinzip* is crucial to his ideas on the organisation of both party and state. He frequently makes nasty

ZHIRINOVSKY. THE PARADOXES OF RUSSIAN FASCISM
by Elena Klepikova and Vladimir Solovyov
Viking £18, 288 pages

remarks about Jews. It is easy to see why Gaidar made his costly accusation.

Yet he would have been wise to note that Zhirinovsky's ideas are a contradictory amalgam. Zhirinovsky has repeatedly declared support for such causes as multi-party democracy, cultural pluralism and even tolerance of homosexuality – causes not conventionally associated with Hitler. He is not even a straightforward nationalist. For he does not consistently seek to attract the specifically Russian-ethnic voter.

In the Gaidar court case, Zhirinovsky had no difficulty in showing that he had a long record of support for "liberal" and "democratic" ideas.

Klepikova and Solovyov allude to some of these contradictions, and argue that Zhirinovsky is cynically trying to broaden the range of social groups to whom he can appeal.

But their conclusion, at the end of an entertaining book, is implausible. For them, Zhirinovsky – the ranting, resentful lad from the lower depths of society – could have been tamed if only Boris Yeltsin in 1991 had invited him to take ministerial office.

Perhaps the lion will one day lie down with the lamb. But such harmony is unlikely in Russia in the near future. Whereas Yeltsin has made many mistakes, he is surely right to keep a prowling wolf away from the sheep-pen.

Robert Service
■ Robert Service is Professor of Russian History and Politics at the School of Slavonic and East European Studies in London University.



W.H. Auden: his homosexuality, his interest in Freud and experiments with psychoanalysis are all perfect fodder to explore the revolution in sexual mores this century

Cecil Beaton

A poet for our times

Changing sexual attitudes have brought Auden into his own, argues Jackie Wullschlager

best sellers – "when it comes, will it come without warning/just as I'm picking my nose/will it knock on my door in the morning/or treat in the bath on my toes?... Oh tell me the truth about love". Sexually incompatible, their affair was at once mutually torturing and inspirational, with Chester the gay and Auden "submissive, felt/unwanted and went out".

"If affection unequal belet the more loving one be me" he wrote. When Chester abandoned him to spend six months a year with young boys in Greece, Auden moved to Oxford, lonely and distressed. In 1973 he wrote "he still loves life/but Oh Oh Oh how he wishes/the Good Lord would take him". Days later he died.

In re-telling this story, Davenport-Hines' *Auden* promises to be "a book for our times" offering "a commentary on the wars, ideologies, spiritual questioning and sexual attitudes of the century in which we live". It marks a *fin-de-siècle* trend towards biography as an apocalyptic form which seeks to discern the intellectual pattern of our century through an individual's experiences.

Auden, whose eminence came from his ability to catch the pulse of his times, might seem to court such treatment. His life mixed the political passions and social prejudices – the lower classes simply ought to go to bed when asked" he once said – which lay at the heart of pre-war

Europe. His homosexuality, his interest in Freud, his experiment with psycho-analysis in the 1920s, all are perfect fodder to explore the revolution in sexual mores this century.

Davenport-Hines' analysis is well informed and elegantly written, but his discursive approach makes for a disappointing book. First, it ruins the sweeping flow of a life which is a prime pleasure of biography. Second, we are still too close to Auden to fix him emblematically for our times. And third, the emphasis on sexual questioning skews the perspective on the rest of Auden's life, and on those other areas – political, cultural where he also believed "alienation from the collective is always a duty".

Most scholars accept that Auden's troubled sexuality was the well spring of his creativity. What pin-points both this biography and Theka Clarke's memoir as products of the 1990s is their underlying sense that the more kiss and tell truths the better the book. Mrs Clarke was an American who visited Auden and Kallman at their summer homes in Europe. Her account is respectful, silly, and obsessed with her own sexuality. If Faber hope to cash in on the Auden craze with memorabilia like this, they may be mis-fired. For a truly moving memoir that is also a great biography, Charles Osborne's *W.H. Auden: The Life of a Poet*, re-issued in paperback, has yet to be surpassed.

Women's role in a dark age

human interest, Leyser blames 19th-century misogyny for this continuing medieval myopia. Beginning with the arrival of the Anglo-Saxons in the 5th century, Leyser sticks closely to the archaeological evidence and summarises the findings to date for the period between the departure of the Romans and the establishment of recognisable Anglo-Saxon kingdoms. This material, sifted by women's historians, seeks to supplement the "resolutely male" cast of characters in the Anglo-Saxon Chronicle.

The range of grave goods from this period yields the most valuable witnesses. Men were buried mainly with weapons, women with cowrie shells, amethysts, boar's teeth and tusks, lavish jewellery, and even crystal balls. But with all their disputed significance, in the end one is left with little more than lists of objects. Deconstructing the significance of the perforated spoons found in women's graves as wine sieves indicating women's role in ritual libations foundered when someone deemed their bowls too shallow and holes too large.

With proper written records – Anglo-Saxon and Norman

have been traditionally viewed as possessing much reduced rights, a conclusion Leyser disputes.

During the High Middle Ages, while men were thought of collectively as knights, merchants, crusaders and so forth, women were classified according to their sexual status: virgins, wives or widows. The attempt to reconcile alleged demands of women's physiology with Christian teaching preoccupied many male thinkers, and medieval theories about sexual differences were varied. The Galenists at that both men and women produced seed, while Aristotelians saw women as little more than passive matter receptive to male semen. Male seed was held to be precious, female seed lethal for almost everything.

As Leyser weaves her way among the sources, an overall impression remains of skew and obdurate testimonies; however skillfully teased out, they yield their evidence slowly and awkwardly. I have learned to distrust the sweeping generalisations of narrative historians, even careful ones like Power. Yet the fragmented and mute nature of these partially undigested documents and artefacts produces a sneaking longing for more artfully shaped accounts. Until the research attains such a critical mass that conclusions become possible, however, this will serve well as an interim report.

Ann Geneva

histories, law codes relating to women, and literature – things become somewhat more clear. The prevailing notion of a passive Anglo-Saxon woman modelled on the Virgin Mary gives way to literary representations of women as wise, articulate and effective – never forgetting Grendel's mother.

And what of the significance of 1066 for women? The three

women depicted on the Bayeux tapestry – Edith, queen to the old king, a mysterious adulterous figure, and an anonymous victim of war – scarcely seems promising. But the fact that the English needlewomen who made the tapestry were famed throughout Europe for their skill may have been some compensation. And their intermarriage with the Normans preserved English as the native tongue. Presumably conforming to the Norman yoke paradigm, Anglo-Norman women

Tigers of the China seas

Peter Marsh on the history of the oriental diaspora in south east Asia

One of the world's most powerful, yet largely hidden, economic forces is the army of 55m Chinese men and women scattered throughout south east Asia, outside their home country. Linked by a network of informal contacts built up over centuries, these individuals – the overseas Chinese – have played a huge part in propelling the region's startling economic growth of the past decade.

Lords of the Rim is Sterling Seagrave's attempt to explain how the oriental diaspora came into being, how it operates and who the crucial people in it are. The story contains a host of rich and lively ingredients. Many of the overseas Chinese are descended from merchant adventurers driven out over the past 1,000 years from the entrepreneurial southern part of China by their more stuffy, bureaucratic neighbours from the north. There are plenty of colourful tales about the disputes between the different groups of Chinese and the often violent methods used to settle them.

Bringing us closer to the present, Seagrave details how the overseas Chinese have exerted particular influence in

some of the "tiger economies" around China over the past few decades – including Thailand, Malaysia, Singapore and Hong Kong. There is no shortage of personalities who have taken advantage of the system of *guanxi*, or connections, to tap into pools of information using the Chinese equivalent of the old boy's network.

One is China's Sopranianich, who started out as a shop assistant in Bangkok and went on to build an industrial empire focused on the Commercial Bank of Hong Kong. Another is the Chinese banker Liem Sioe Liong. After diversifying at an early age from the peanut oil business into clove importing, Liem branched into timber, rubber and property development and ended up in control of the Salim Group – one of the biggest players in the south east Asian economy.

Not all the industrial forays have been into respectable fields. With a certain amount of relish, Seagrave describes how much of the entrepreneurial effort of the overseas Chinese has gone into activities such as prostitution and drug smuggling. Often the links between the establishment business figures and the underworld have been a little too close for comfort. There

are interesting sections on how the overseas Chinese are becoming more entrenched in the business communities of the Canadian and US western seaboard, and their links with Japan.

But for all the intrinsic attraction of the subject, *Lords of the Rim* is a disappointment. The main reason is that in trying to impart drama into his book, Seagrave all too often ends up with passages that are breathless, flippant or silly. Perhaps the most telling criticism is that the book reads too much like one put together from reading other people's accounts of events in south east Asia over the past 1,000 years rather than from original research. There are 30 pages of notes and references to other books but little to indicate that the author has gone out often enough to talk to the overseas Chinese themselves. Possibly Seagrave has become so knowledgeable about the methods apparently used by a small minority of overseas Chinese to despatch people inquiring into their methods that he chose not to delve too deeply.

LORDS OF THE RIM by Sterling Seagrave
Banana £16.99, 338 pages

and sometimes all three. A prize example is this paragraph describing the exodus after world war two of bankers from China to Hong Kong: "They brought Shanghai's financial brains in their carry-on luggage. They knew all about money, how to get it, how to move it, how to hide it, how to make it do gymnastics. When they got out of bed in the mornings, they hit the floor running. Green tea does that to you. Their intense drive to rescue their endangered fortunes moved Hong Kong overnight from the age of the pith helmet to the age of

satellite communications, or so it now seems in retrospect. Time is measured differently in Hong Kong."

Seagrave also seems bewitched by the harsh tactics used by different groups of Chinese to do each other down. He also appears to think his readers are similarly interested, which is why very few pages he details a new episode of acts including torture, vivisection, gang rape, beheading, gouging out of eyes, mass drowning and mutilation of genitals. Even if the accounts are historically accurate, the effect is wearisome.

Perhaps the most telling criticism is that the book reads too much like one put together from reading other people's accounts of events in south east Asia over the past 1,000 years rather than from original research. There are 30 pages of notes and references to other books but little to indicate that the author has gone out often enough to talk to the overseas Chinese themselves. Possibly Seagrave has become so knowledgeable about the methods apparently used by a small minority of overseas Chinese to despatch people inquiring into their methods that he chose not to delve too deeply.

ARTS



The dining room in the Bagatti Valsecchi brothers' neo-Renaissance fin-de-siècle palazzo. They felt no implicit contradiction in cannibalising authentic artefacts to obtain the right effect.

Renaissance pastiche personified

Susan Moore visits the extraordinary Bagatti Valsecchi museum in Milan

There is no place quite like the Bagatti Valsecchi in Milan. To begin with, the transformation of this private palazzo into a public museum - a slow 20 years of politicking, research and painstaking preservation - is unmistakably a product of our own style and taste-conscious age. For unlike other historic house museums, like the nearby Poldi-Pezzoli, the Wallace or the Frick, the Bagatti Valsecchi does not boast an outstanding collection of masterpieces.

Indeed it holds relatively few great works of art. Moreover, the house, its decoration and furnishing are pure pastiche: a "Renaissance" palace ingeniously created by two artistically minded brothers in *fin-de-siècle* Milan. The point of preserving it more or less intact is that its sumptuous interiors provide an extraordinarily vivid picture of how one age perceived another.

Fausto and Giuseppe Bagatti Valsecchi embarked on their dramatic renovation of their family house in the 1870s. After designing the neo-Renaissance palazzo in the local Lombard style, they set about filling it with appropriate works of art - furniture, tapestries, paintings,

ivories, enamels, arms and armour, majolica... The brothers bought up whatever period architectural fittings and fixtures they could find, acquiring entire 15th century carved and coffered Cremonese ceilings or fragments of friezes, panelled door-cases, chimney-pieces.

What they could not salvage they designed themselves.

Detailed drawings attest to their study of historic interiors.

A tour of the house is a Renaissance buff's delight: spotting ceilings derived from, say, Isabella d'Este's "grotta" in the Palazzo Ducale in Mantua where all her most prized possessions were kept; door-cases and window-cases from the Palazzo Ducale in Urbino; the library based on the refectory of the church of Santa Maria della Passione in Milan; light fittings straight out of Carpaccio's "Dream of St Ursula".

A similar approach was taken to the furnishings. There are important pieces like the richly carved mid-16th century bed from the Palazzo Visconti-Venosta but what could not be found - or afforded - on the antiques market was simply hatched or patched. Most spectacular is the late 19th century version of today's "Sheraton"

TV cabinet, a sideboard decorated with *Quattrocento*-style perspectives which open to reveal a piano-forte.

Fausto and Giuseppe believed in Renaissance living with all mod cons. Their bathroom might have a bath that looked as though it came from a Roman ruin but it boasted hot and cold running water and a shower to boot. Even the wash basin on an iron tripod was ingeniously fitted to a mains water supply. Distressed "Antique" bronze wall lamps were lit by gas, and floor grilles are witness to an early form of central heating - features now carefully restored to working order.

What is abundantly clear is that the brothers were pre-eminently interested in creating an "effect". Their home is a perfect example of what would now be disparagingly described as decorator's taste. It did not really matter if a piece was not right as long as it looked right, questions of quality and authenticity were niceties.

Like most of their generation, the Bagatti Valsecchi obviously suffered no scruples about chopping up or adapting

period works of art simply for decorative effect. They saw no implicit contradiction in cannibalising authentic artefacts to concoct a house that was, after all, a thoughtful homage to the Lombard craft tradition.

In the dining room, for instance, three mid-16th century Flemish tapestries depicting the deeds of Cyrus were cut up, patched and integrated with painted canvas so that they could line the walls. One wall bears a pair of feet ruthlessly sliced off a figure on another.

It seems likely that some of the hybrid furniture and works of art were acquired, unwittingly or not, already doctor'd. The most glorious anachoritical example is in the Red Bedroom. Alongside Giovanni Bellini's "Saint-Justine de Borromei", the most important picture in the house, hangs a devotional triptych. Its central panel is late 14th century Florentine, the two flanking panels 16th century Lombard.

There is no evidence to suggest that such hybrids or copies were ever meant to deceive. Indeed, the signatures of the Bagatti Valsecchi are everywhere, most literally in the glorious neo-Renaissance red and gold cut velvet wall hangings they designed that

bear their "BA VA", but also in the impressive Renaissance-style door-cases carved with objects that can be found throughout the house. This top-quality work represents the last gasp of the Lombard craft tradition.

What is so unusual about the brothers' distinctive brand of historicism is that the whole house emulates one period. In the 19th century it was far more common to create, say, a 17th-century dining room with a drawing room decked out in Louis Seize. More interestingly, the brothers chose to live with and use their works of art, rather than accord them separate quarters in special "galleria" rooms, as did, say, the Poldi-Pezzoli family.

The Bagatti Valsecchi saw themselves as the spiritual heirs of the Renaissance princelings, creating not so much a pastiche 16th century palazzo as a creative copy and harmonious whole. This new museum is a model of thoughtful and sensitive preservation, and a tribute to the enlightenment of the authorities of the Lombard region.

The Museo Bagatti Valsecchi, entrance via Gesù 5, Milan, is open daily, except Mondays, 1pm-5pm.



"His mind shattered"

As he closed the door behind him and stepped into the street, the bomb exploded. We collected him after his discharge from hospital. A bomb can do a lot of damage in a narrow Belfast street where danger was a way of life for over 25 years.

We now look after him in our residential home. He will never leave it because of his fear of the outside. His brain connects the outside with pain, terror and danger. He can now only look at the outside world from the safety of our walls.

The Ex-Services Mental Welfare Society has nearly 4,000 ex-Service men and women to look after and there are still on the waiting list. Please do help. We have need of every penny urgently.

They tried to give more than they could.

Please give as much as you can.

To make your donation, ring 0898 203034 or write to: Ex-Services Mental Welfare Society, The Broadway, Wimborne, Dorset BH21 3LZ. Telephone: 01202 821633. Ref: Charity No 20002.

Please send me further details about the Ex-Services Mental Welfare Society.

Name (block letters): _____

Address: _____

Signature: _____

Postcode: _____

Postcode: _____

Anna Karenina takes to the stage

Usually, watching a stage adaptation of a beloved novel, you are all too aware of what has been left out. Characters, details, subtlety, texture - often many of the very elements that make it such a rewarding read have to be compressed or cut. One of the great strengths of Helen Edmundson's *Anna Karenina*, first performed by Shared Experience in 1992 and now revived at the Palace Theatre, Watford, is that she confronts this problem head on by celebrating the differences between stage and page.

Edmundson does not creep through Tolstoy's story shoving and squeezing, but plunges in, rips out the elements that suit her and reassembles them on stage. The result is a swift, intense piece of theatre.

NB 1096: 1...Bxc5! 2 dQ Bb3+(or Bc3+) 3 Kb1 Bc4+ 4 Ka1 Bb2 mate.

No 1095: (from last week): 1...Rxb4+ 2 Ka3 Rxc2! and Anan resigns. If 3 Kxb2 Rxd2 or 3 Rxc2 Rb3+ 4 Ka2 Rb3+ 5 Kb2 Rxe1 and in both cases Black is two pawns up.

ART GALLERIES
MARBOROUGH FINE ART & ABSTRACTS, 8, WIX 4BY, VICTOR PASMORE - New water-paintings, etchings & lithographs. Until 21 October. Mon-Fri 10-6.30, Sat 10-12.30. 0171 245 0202

ART DECO NUDE, 46" x 37" Veronese 1920. ROTT-MEIER STERLING 3000.00 Phone 0171 245 0202

ART DECO NUDE, 46" x 37" Veronese 1920. ROTT-MEIER STERLING 3000.00 Phone 0171 245 0202

Post Production: Art-100 year opportunity to contact us - 1% of all our sales. If you would like to receive our newsletter, please tick the box.

that, whatever else it may be, this is a story about a small circle of people. Kasia Peila's warm, smoky voiced Anna is lovely: a vivacious, glowing woman; at the beginning, she gradually becomes bedraggled, like an exquisite bird with faded plumage. Jonathan Jaynes's troubled, restless Levin is also compelling, as is Sarah McVicar's serene Kitty. Only Karenin (Jonathan Oliver) and Vronsky (Alexander Hardy) disappoint, becoming more and more caricatured as the evening progresses.

Both play and production do lose something in the second half - as Anna begins to disintegrate it becomes increasingly difficult to avoid melodrama, and the rising quota of tears and tantrums begins to wear you down. In a few crucial instances, the parallel motion of the adaptation also works against it - running the birth of Kitty's child in counterpoint to Anna's death scene may be thematically appropriate, but dramatically it detracts from both climaxes.

Nonetheless, this is an enjoyable evening that sends you back to the book for the right reasons. Edmundson has since adapted *The Mill on the Floss* to great acclaim; many bookworms will await her *War and Peace*, promised next summer, with a keen appetite.

Sarah Hemming
Confinoes to October 28 at the Palace Theatre, Watford

A question of attribution

Brian Sewell casts round for a 'lost masterpiece'

Revelations of the trade in "sleepers" - lost masterpieces - have been vouchsafed in a new book by Philip Mould, works of art adviser to the House of Commons and the House of Lords. Lord Archer, it must be presumed, gives a *quid pro quo* as Mould's literary mentor.

From my own years at Christie's, I recall a sleeper's tale that sheds much the same light on the life of the roving international art dealer...

Postumus' heart ceased to function for fully five seconds when he saw the ineffable masterpiece in the gloom of Sotheby's back passage. "Golly," he said, "what a sleeper!" He was not referring to Tilda Swinton in a glass case transferred for sale from the Serpentine Gallery, but using the common parlance of the picture dealer for a painting unrecognised by the auctioneer's experts, and thus likely to sell for a tiny fraction of its value. He glanced furtively at his catalogue: "Lot 176, School of Van Dyck, Portrait Head of George Washington."

"Not wishing to be seen showing the interest he felt so strongly, he fished from his pocket the small mirror that he carried for such moments, turned his back to the picture and powdered his nose. Postumus cared nothing for its reputation, living only for these heart-stopping moments when his stomach churned, the auburn hair rose on his neck, perspiration flooded and he knew in his aristocratic bones that a Velasquez danced before his eyes."

"Though filthy and with discoloured varnish and the fumes of crackling fires and fine Virginia tobacco, a fried egg long concealed in the left hand corner (relief of the uprooted breakfasts of Edwardian gentlemen), he knew at once that this could be no portrait of George Washington (first President of the US), but was instead the

Veil of St. Veronica (an early saint) bearing the image of Jesus Christ (the Son of God). With cousins in New York's social register, uncles in the Almamegide of Gotha and ancestry reaching back to Harewood the Wake, this old Etonian and sometime porter in Christie's offshoot in South Kensington commanded

classical and unmatched knowledge unmatched by the lesser boys of Bonhams Street...

"Behind Veronica's veil lay a landscape that for a moment puzzled him and he prolonged the business with the mirror, plucking dilatorily at an eyebrow. The answer hit him hard. 'Of course,' he murmured, 'this is a view of Lake Balaton by Konrad Witz.' In front of the veil stood a vase of irises (the Seven Sorrows of the Virgin in medieval iconography), and to make yet more time with the mirror, Postumus fumbled for his lipstick, but before his manicured fingers could retrieve the cool cylinder of solid gold, revelations struck him. 'Ah,' he sighed with organic satisfaction, 'late Delacroix'.

"He glanced at his Rolex Oyster. Though it had seemed an eternity, in fewer than 20 seconds he had identified in one single painting the contributions of three great masters over a period of four-and-a-half centuries.

Moreover, he had provided documentary proof of a Hungarian journey by Witz (a Swiss painter dead by 1446) which demonstrated that this earliest of landscapes had once belonged to Velasquez, who had probably acquired it on a sojourn in Geneva when recuperating from shipwreck on his way to Rome in 1629, and all his instincts told him that this was the very panel so treasured by Delacroix that he hung it by his bed to inspire the next picture when engaged in the wearying exertions of sexual conjugation.

"Five days later - days spent flying to Balaton to

stand on the very spot from which Witz had sketched the view - Postumus sat in the front row at Sotheby's disguised as Sherlock Holmes, and though prepared to spend many millions, waving his malacca cane with masculine assurance, bought his astonishing treasure for a mere \$28.00.

"The Bentley Turbo waiting at the door, three parking tickets on the windscreen but, mercifully, no yellow clamp on a rear wheel, whisked Postumus deep into the sinister east end of London; there, in the freezing attic of London's last remaining suppliers of stand-up stalls for public lavatories, hidden in a cobble lane still stinking of Jack the Ripper's urine, his hunchbacked restorer, still carrying the genes of Quasimodo (a distant ancestor), Postumus's slave for years but never paid, seized his opportunity for vengeance. With a giant swab of cotton wool soaked in sulphuric acid instead of acetone, he swept the surface of the masterpiece. Postumus stood aghast as the vicious fluid bit through dirt and varnish, ate the trines, dissolved Veronica's veil, and with an exuberant sizzle destroyed the landscape and burned deep into the ancient panel.

"With yelps of maniacal pleasure the restorer swept and swept again, Postumus frozen to the spot until nothing was left of his fabulous discovery, nothing but the charred rectangle of timber cut long ago from an ancient chestnut tree that stood in a forest once owned by the grandfather of Mathew Corvinus (a 15th-century Hungarian hero). Then, seizing the panel, with an unearthly scream of despair, his lungs emptying of air in his descent, Postumus threw it and himself from the attic window into the swift Thames below, neither ever to see again."

■ *'Sleepers'*, by Philip Mould (Fourth Estate £16.99, 224 pages)

Surreal English eccentricity

With its Edinburgh Festival success *Stop Calling Me Vernon*, now in London, the clowning/physical theatre company The Right Size has returned triumphantly to what it does best: oblique, surreal and fundamentally English eccentricity.

The Bagatti Valsecchi saw themselves as the spiritual heirs of the Renaissance princelings, creating not so much a pastiche 16th century palazzo as a creative copy and harmonious whole. This new museum is a model of thoughtful and sensitive preservation, and a tribute to the enlightenment of the authorities of the Lombard region.

The Museo Bagatti Valsecchi, entrance via Gesù 5, Milan, is open daily, except Mondays, 1pm-5pm.

failed end-of-the-pler double act, Austin and Porter, who hone their number-coded gags while waiting for the day when they will be asked to display such gems as no. 99, "Waiter on Elastic", in front of a big time audience.

Austin and Porter's world owes much to such double acts as Morecambe and Wise, albeit in Dayglo colours. However, theirs is not a permanent funnyman-to-gag relationship. Lanky, lugubrious Foley as Porter gets off slightly the worse in terms of pratfalls and violence from inanimate objects, but each performer tries to outdo the other in

terms of lunacy whilst still meshing perfectly in the tightly-choreographed slapstick sequences.

The idocy never lets up, be it in the ludicrous death-in-the-trenches ditty "Bunty's Chips Are Down" or McColl literally putting his head through a fully-laden drinks tray (leading to the awesomely corny line, "I never knew the waiter wore glasses"). Connoisseurs of conundrum silliness will find no better fare than this.

Ian Shuttleworth

Lyric Studio, Hammersmith. Ends tonight (0181-741-2311).

VERONA®

74th Opera Festival in the Arena of Verona

July 5th - September 1st 1996

17 Travel Dates

1 Fri-Mon 5-8 Jul: Carmen, Nabucco, Aida, 2 Fri-Mon 12-15 Jul: Nabucco, Il Barbiere di Siviglia-Première, Carmen, 3 Mon-Fri 15-19 Jul: Nabucco, Il Barbiere di Siviglia, Aida, 7 Mon-Fri 29 Jul-2 Aug: Nabucco, Aida, Carmen, 8 Fri-Mon 2-5 Aug: Nabucco, Aida, Carmen, 9 Mon-Fri 5-9 Aug: Antonini e Cleopatra, Nabucco, 10 Fri-Mon 9-12 Aug: Il Barbiere di Siviglia, Carmen, Nabucco, 11 Mon-Fri 12-16 Aug: Nabucco, Carmen, Aida, 12 Fri-Mon 16-19 Aug: Nabucco, Il Barbiere di Siviglia, Aida, 13 Mon-Fri 19-23 Aug: Aida, Nabucco, Carmen, 14 Fri-Sun 23-25 Aug: Aida, Il Barbiere di Siviglia, Aida, 15 Sun-Wed 25-28 Aug: Aida, Carmen, 16 Wed-Fri 28-30 Aug: Aida, Carmen, 17 Fri-Mon 30 Aug-2 Sep: Aida, Il Barbiere di Siviglia, Carmen. New Production 1996: Il Barbiere di Siviglia. Recurring: Aida (1913), Carmen (1995), Nabucco (1991)

Colombia d'Oro****, Verona's Opera Hotel No. 1 in the roman-medieval City. Arena 190 yards, Opera House 170 yards. Air-conditioned, en-suite bathrooms, English speaking staff

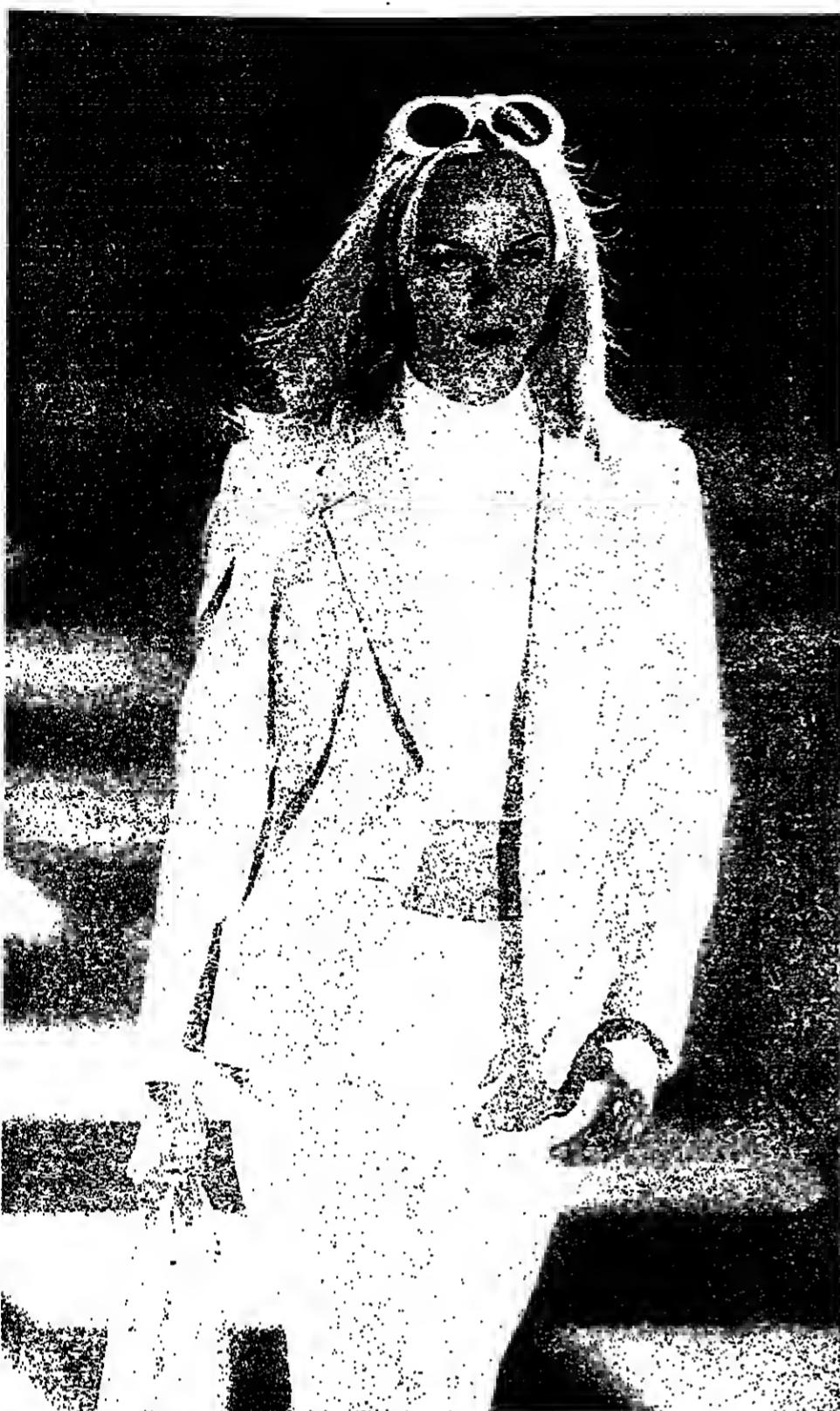
Seats in the Arena. Orchestra stalls front row and side elevated stalls close to the stage. All furnished with cushions, arm and back rests. Unrestricted view. Spacious leg room. Seat numbers can be booked from the seating plan

Travel

British Airways Club Class London - Verona - London. Daily Garwick-Verona 12.45-15.40 and 18.55-21.50. Verona - Garwick

FASHION

The choice: banal or minimalist?



Versace bridges the gap with canary yellow crepe

For 1970s hippies or 1990s nerds? Avril Groom reports on the Milan collections

What a difference a designer makes. Milan was long regarded as the commercial hub of European fashion, with Paris the creative crucible. Armani and Versace, in their different ways, made waves but even they are as much about commerce as creativity.

Then the old family firm of Prada, already an "in" name for bags and shoes, started putting the spotlight on Miuccia Prada. Her clothes and her carefully-sculpted minimalism with a whimsical touch of nostalgia went from a well-kept fashion secret to something worth fighting for.

Now Gucci has revivalist fever. The installation of Tom Ford, a designer with a reputation to make, has taken this label in three seasons from a tacky has-been to the hottest ticket in town. Prada and Gucci, in their very different ways, have become the most influential names.

This week, the fashion world came to see if they could do it again for next spring; to see if Milan really is the new fashion centre that can eclipse an overpriced Paris.

The buzz in town is certainly confident. This is still the consumerist capital of Europe where, despite the low lira, the number of quilted Chanel bags is rivalled only by designer carter bags.

The Milanesi can now indulge their favourite hobby - shopping - on certain Sundays, when the Via della Spiga looks like London's Oxford Street in Christmas week, with security men controlling the queue at Prada.

Where greener cities would have birdsong, mobile phones trill from every Milanesi corner. The latest telephonic gadget makes people look like gibbering madmen - it is a tiny earpiece with a remote microphone clipped to your lapel and the dialling mechanism



Lawrence Steele's rubber flowers on organza box top



Gucci's sleepy, hippy baby-doll black lace



Prada's train-spotter in gauzy green knit and printed check trousers

concealed in a pocket. This is a Milan must-have, along with footwear - either skinny, zipped knee-boots or the new "kitten- (or pin-) heeled" shoes (though only from Prada or its little sister Miu Miu) which are quite impractical in a city full of pavement gratings.

Alternatively, you could stand still in the queue at Gucci for its velvet hipsters, though there is a worrying lack of consensus on the correct trouser length. Model girls, distinguished by their flat stomachs, are desperate for whi-thin Gucci hipsters with a "G" buckle or a navel-ring with a little dangling jewel.

We have seen a lot of model tummies this week. The hipster is everywhere, on both trousers and skirts, part of the 1970s revival which has been threatening for some time and is now in full flood.

This is not, to put it mildly, a style for everyone; the amount of flesh exposed between crop top and waistband varies between the full expanse to a demure slit. Mania for the 1970s was captured perfectly by Gucci's winter velvets and skinny shirts. To keep one step ahead for spring, Tom Ford plunges straight into de luxe hippiedom, with panda eyes, messy hair, lace baby-dolls, devoré caftans, silk patchwork and a chiffon and feather version of the smelly Afghan coat.

This may be a deliberate attempt to shock fashion into moving on from minimalism but it is possible that Gucci has created a monster which could run out of control.

Prints abound elsewhere but they are modern and abstract (at Versace and Callaghan) or Pucci-esque (at Lawrence Steele and Philosophy) rather than psychedelic.

Other designers make light-hearted hippy references - appliquéd flowers and ethnic embroidery at Alberta Ferretti, a gypsy ragtag of flower-prints, embroidery and fringed crochet at Moschino and knitted wide-legged jumpsuits and crochet vests at 1970s' icon Missoni - but nobody, as yet, is taking it seriously.

Milan has decided for now that most women prefer the Prada view. Prada itself reduces detail still further, to a few shapes which it jokingly calls "banal fashion".

This means revisiting the 1970s dressing-up box and plucking out a St Laurent-inspired safari suit and the neat blazer and epaulette shirt of a BOAC air hostess who occasionally forgets her skirt and goes out in a nylon slip with a fine contrast edging. All in high-tech, synthetic fabrics and fresh versions of once-dull shades such as Wedgwood blue, tan and grass green, it has an artless charm that's just a whisker away from frumpdom.

Other designers also go minimal, some surprisingly so. Ver-

sace (who nearly had a very good collection eclipsed by the ballyhoo over Liz'n'Hugh) has shed every ounce of glitz and relies on zinging colour and a beautiful cut for curvy jackets, skinny blousons, soft A-line skirts, the most flattering hipsters in Milan and bosom-cosetting evening dresses.

Dolce e Gabbana abandons its usual sassy corsetry, just as Gucci presses the sleeve button, and returns to its Sicilian roots. Think of Ingrid Bergman in the 1949 film *Stromboli*, or the early Sophia Loren, for wistful plain black dresses or skinny knits, worn with cowled scarves and rosary necklaces, and leopard-print chiffon tunics wafting over black swimwear, plus a cheeky take on the *Maria* with pinstripe hipster suits and tributes.

Armani's soft minimalism now has a crisper, modern edge. A small, zip-up jacket is seamed to sculpt the body and flip out to hip level. Simple shapes in black or white vie with his beloved beige and grey. Plain A-line crepe gowns, backless but for a trace of fine straps like wheels spokes, share the evening honours with bead-encrusted tops and cloudy chiffon skirts.

Alberta Ferretti plays the light to their dark, with equally simple shapes in fragile pastel organza, translucent tiny nylon knits and appliquéd lace flowers, a feature of both the 1970s and Milan's spring vision. Flowers - in rubber - also appeared on the pale shifts and boxy tops of ex-Prada designer Lawrence Steele's collection.

This was the best of Milan's "young" shows, along with Callaghan, now designed by Englishman Scott Crolla, though both showed skinny nylon T-shirts and unfaltering hipsters which come perilously close to the Britpop nerd look now infesting menswear.

Help is at hand from the commercial side of Milan - the labels such as MaxMara, Ferragamo and Emporio Armani - which will appear in real-life wardrobes next spring. The look is fresh and clearly defined, based on black, white, soft acid brights such as citrus, orange and turquoise; a whole range of high-tech fabrics - nylon (without last year's shine), flea market-style polyester brocade and shiny man-made knits - plus natural fabrics, such as silk organza and shantung; and simple shapes.

These include the dress, newest as a button-through shirt-waister, and the sleeveless jumpsuit, which go under the coat, leanly seamed and with a

set-in waistband, as shown by both Jill Sander and Alberta Ferretti. Jackets are shorter, either seamed to fit or boxy with bracelet-length sleeves, a shape echoed in sleeveless, back-fastening tops. Both skirt and trousers are either straight and narrow or easier and A-line - though they are low-slung, a fitted shirt or skinny knit bridges the gap smoothly.

But for real fashion victims the choice is stark - hippies or nerds. The Paris shows may shift the balance but if Milan is now the creative focus then the die is cast. Should less sticks be lit or will the "ano-raks" have the last laugh?

INTRODUCING
value without...

...compromise!

Extensa - The new range of Notebook Computers from Texas Instruments.
The 450 series DX4/75 is available now and 550 series Pentium-based models in October.
Lightweight machines with stunning performance, superb build quality, all the latest features and great value prices. **No compromise!**

START DOING EXTRAORDINARY THINGS

For your special price call: Time Direct 01862 770064 ATM Systems 01591 403350 MPC International 01922 249998 Micro Aviatis 0171 436 2547 Lycamobile 01264 817726 Intercom 01244 201144 Computer Components 0181 869 4440 01455 538444 DPS Integrator 01723 500277 CSE Computers 0173 894774 Computers by Post 0191 982 4380 By Computer Stores Charles n' Sibell 0121 733 1364, Gresham 0191 491 1355, Leeds 0113 242 8000, London 0171 374 6444, M. Kayes 01908 240444, Sheffield 0114 261 0999, Slough 01751 512344, W. Midlands 01384 701222, Action 0800 332 331, For further information call: Texas Instruments 0181 875 0044

Extensa is a trademark of Texas Instruments Incorporated. Percom and the Percom logo are trademarks of Intel Corporation. Windows 95 is a registered trademark of Microsoft Corporation.

TEXAS INSTRUMENTS

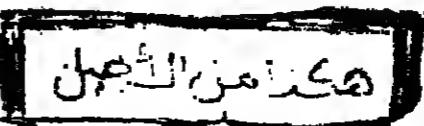


Dolce & Gabbana

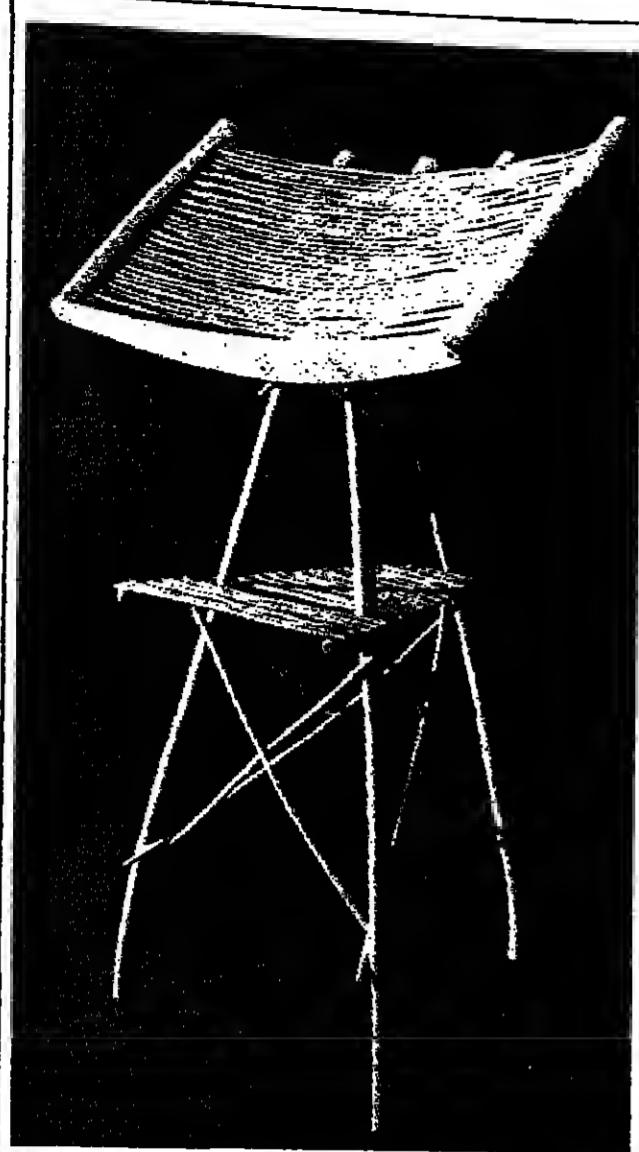
BOUCHERON
JEWELLER SINCE 1858

BOUCHERON PARIS

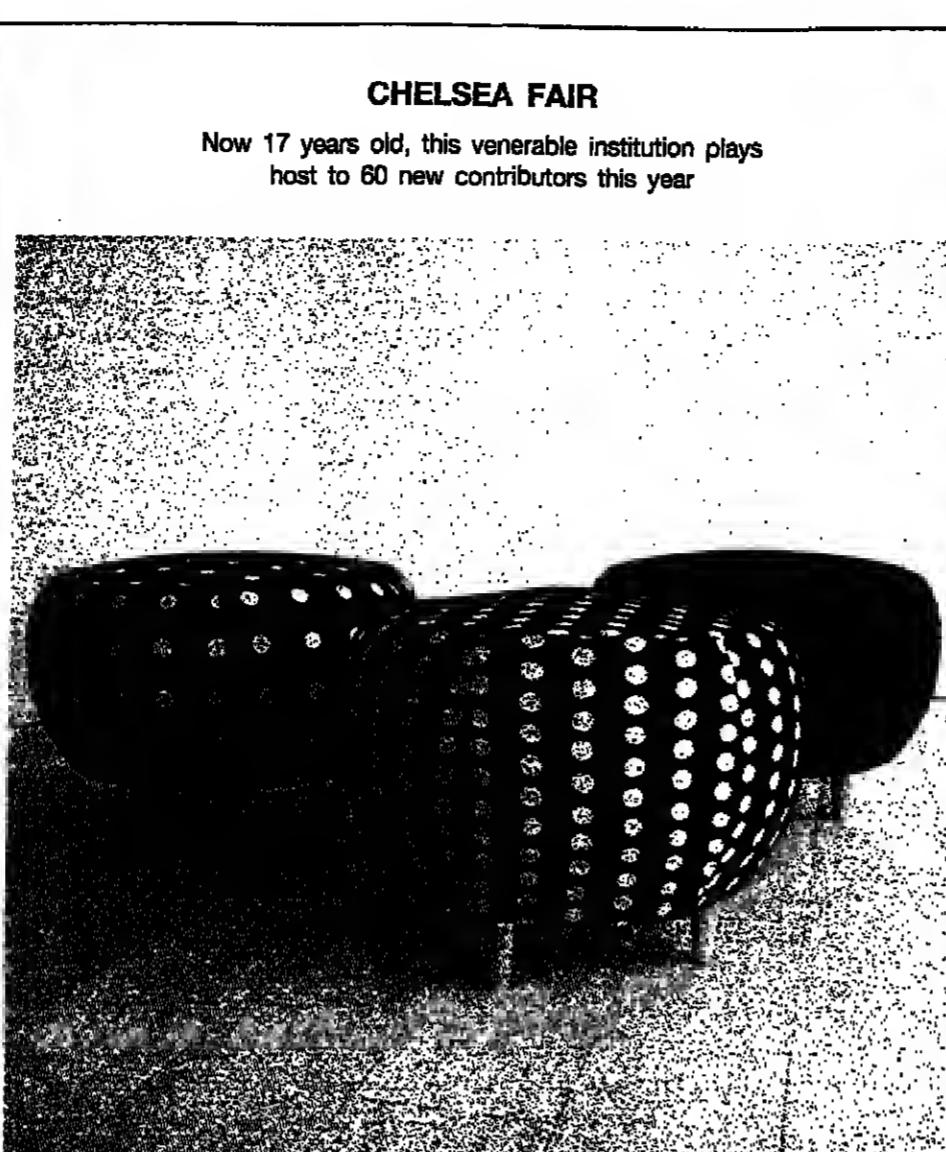
180, New Bond Street - London W1Y 9PD - Tel: 071 493 0983



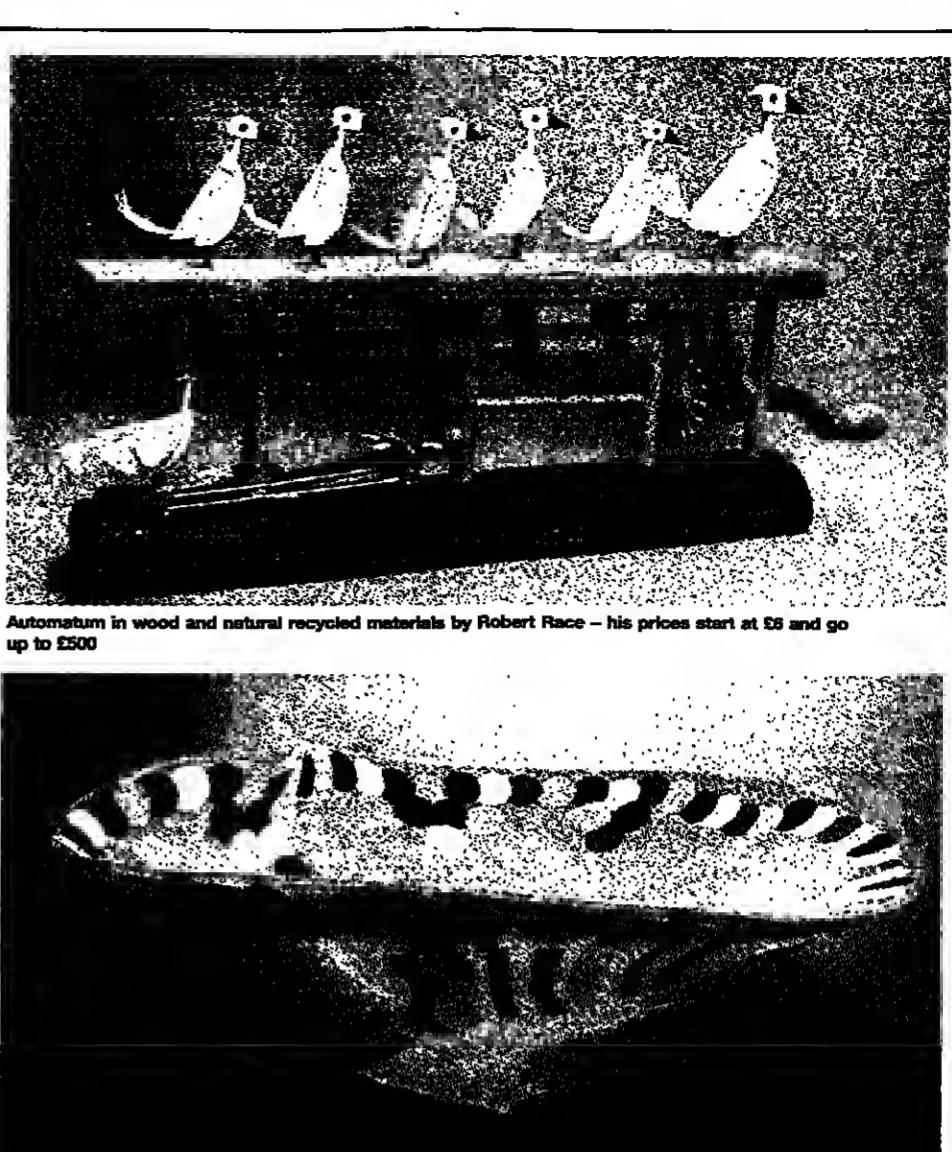
HOW TO SPEND IT



Wicker music-stand by Guy Martin, £495



Brightly coloured pouffes in wool felt by Margaret Adolfsdotter, from £285 to £390 each



Automaton in wood and natural recycled materials by Robert Race - his prices start at £30 and go up to £500



Brilliant yellow and terracotta hand-blown glass bowl by Louis Thompson, from £195

Crafts: a bargain now and for collectors in future generations

Lucia van der Post on Britain's brightest and best talent

Regular readers will be in no doubt about my passionate belief that many works by British craftsmen and women are the undiscovered bargains of the age.

Few modern craftsmen and women cost their time properly and few are able to get the prices their work should command. Too often they comfort themselves with the knowledge that at least they are out of the rat-race and doing what they most enjoy.

If anyone doubts that modern crafts are almost a steal, it is worth looking at what has happened to the collection started by the Crafts Council 24 years ago.

Since 1971, it has been spending roughly £10,000 a year on buying the best work around. By 1985 it had spent £257,000 and decided to get the collection officially valued. The stunning sum it is now worth is more than £2m.

The greatest appreciation in value was in the field of ceramics. Pots by Lucy Rie, Hans Coper and Bernard Leach, bought inexpensively - some for as little as £30 - are now worth in the region of £30,000. Interestingly, hand-made toys have also done exceedingly well. Sam Smith's toys, for instance, are greatly sought-after and, in America, have an almost cult following. Anyone who is interested in his work can see a collection in Southampton art gallery.

Next week offers you a chance to test your eye. To see if you, too, can spot the Lucy Ries and the Sam Smiths of the future.

First stopping-off place should be the Chelsea crafts fair, at 17 years old a venerable institution which, according to its established pattern, runs over two weeks with a completely different selection of craftspeople taking over the second week. The first week finishes tomorrow and the second week runs from Tuesday until (and including) Sunday, October 22.

As always there will be something for everyone - small pieces of jewellery, textiles and ceramics, furniture, fine jewellery, silver and glass. Prices will range from as little as £4 (for some small ceramic tiles) and go up to several thousand for fine silver or specially commissioned pieces.

This year I perceive a distinctly more sophisticated approach, with a cleaner, more contemporary mood affecting the craft world.

Look out for Stefanie Herling's beautiful porcelain bowls and vases, for Janet Bolton's 3-D framed collages, for Bridget Draxford's fine porcelain crackle and lustre ware, for Ruth Dresman's lovely glass bowls (all on view and sale until tomorrow). There are also some exceptional scarves and

shawls from £75. Those who have visited the show in previous years can be reassured that they will not simply find more of the same. There are more than 60 new contributors and she has now persuaded Purves & Purves, an interesting and adventurous furniture and furnishings store at 60-81 Tottenham Court Road, London W1P 9HD, to hold a selling exhibition.

Running from Thursday October 19 to Saturday November 11, it is another chance to see and buy anything from hand-crafted furniture for the home to Christmas presents such as clocks and baskets, decorative ceramics and hand-blown glass, wine glasses and garden chairs.

Peta Levi refuses to differentiate between craft and industrial design and The Design Trust, the company she has set up to look after these interests, has just one brief - to promote the excellence of British design, whatever form it takes.

■ *Chelsea crafts fair is at Chelsea Old Town Hall, King's Road, London SW3 from until October 15 and from October 17-22. It is open from 10am to 8pm from Tuesday to Friday and from 10am to 6pm on Saturday and Sunday. Admission is £5 for one visit each week and £5 for a single visit.*

Not everyone, of course, can make it to Chelsea, nor to the Business Design Centre, in Islington, north London, where

The Design Trust has just one brief - to promote the excellence of British design

the best work from the best young British designers is to be seen - so Peta Levi, motivator, inspirer and organiser of New Designers in Business, has hit on the idea of taking design to the people. In other words she has produced a mail-order guide to the best designers.

The guide, consists of a cardboard box filled with information sheets, each one featuring a photograph of the work of a designer, a history of previous work and exhibitions and a small description of what the designer does.

In the past, any potential client would have needed to go to one or other of the centres holding their records but now the box of information can be ordered and studied at home.

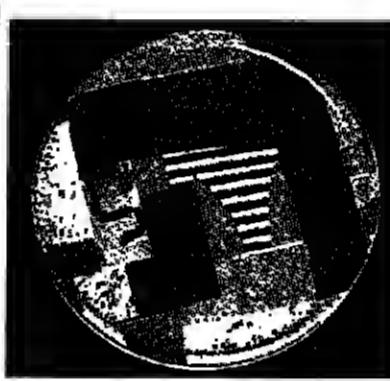
The work of the designers provides a wonderful tribute to Peta Levi. Many would not be in business, let alone have such a colourful platform to show their pieces, if it were not

for her enthusiasm, support and downright stubbornness. She got the Islington centre to feature the work of many designers and she has now persuaded Purves & Purves, an interesting and adventurous furniture and furnishings store at 60-81 Tottenham Court Road, London W1P 9HD, to hold a selling exhibition.

Running from Thursday October 19 to Saturday November 11, it is another chance to see and buy anything from hand-crafted furniture for the home to Christmas presents such as clocks and baskets, decorative ceramics and hand-blown glass, wine glasses and garden chairs.

Peta Levi refuses to differentiate between craft and industrial design and The Design Trust, the company she has set up to look after these interests, has just one brief - to promote the excellence of British design, whatever form it takes.

■ *The Design Trust index is available from The Design Trust, 9 Burgess Hill, London NW2 2BY, price £4.25. Tel: 0171-433 4348*



Devi Khokharia's beautifully decorated glass plates



'Movement' - Annette Nix's red, green and black 100% wool rug



'Cosmic Goose' ceramic by Jennie Burns

THE DESIGN TRUST

The trust's index produces objects from metal beds to 'kinetic' teapots

SOLID SILVER CUTLERY AT SILVER PLATED PRICES

44 PIECE SET for 6 £1200
60 PIECE SET for 8 £1660
88 PIECE SET for 12 £2400

Why pay good money for silver plated cutlery when for a similar sum you can buy the same set in solid silver?

Our award winning hallmarked sterling silver cutlery comes in 20 timeless, elegant designs and we can supply sets of any size.

Send for details today. Freepost the coupon, phone or fax us. Or if you prefer, visit our London showroom or Sheffield manufactory where you can watch us make your cutlery.

United Cutlers of Sheffield

Choose from 20 classic designs

Pete Street, Sheffield S4 8LL. Tel: 0114 243 7128
London showroom: 4 Grosvenor Street W1. Tel: 0181 580 5051

PHONE 0114 243 3984

FREEPOST to: United Cutlers, FREEPOST, Sheffield, S4 7Z2

(No stamp needed). Please send me full details of your Sterling Silver Cutlery.

Name: _____

Address: _____

Postcode: _____

UC 93 93 93 93

EVERY CARPET WE MAKE IS UNIQUE

Our studio will work with you to tailor a traditional pattern to your taste or to create a totally new design. Please call us and make an appointment to visit our New Bond Street showroom.

Telephone: 0171-629 0626 Fax: 0171-409 2969



FINE & RARE WINE SALES

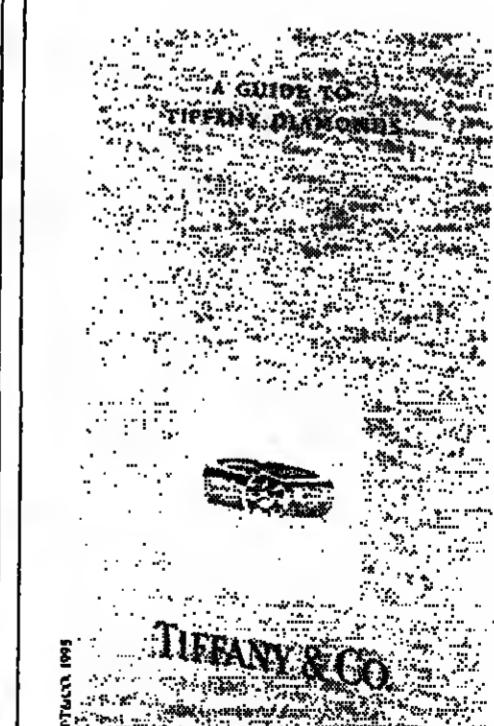
LONDON: 11TH OCTOBER
(25th Anniversary Sale)
15TH NOVEMBER
6TH DECEMBER

NEW YORK: with Sherry-Lehmann
11TH NOVEMBER
27TH JANUARY

SOTHEBY'S

FOR ESTIMATES AND BUYING & SELLING ADVICE CONTACT:
London: (0171) 314 4423 or New York (212) 606 7207
To order catalogues please telephone: (0171) 314 4444.
Wine Courses, Seminars, Tasters, telephone: (0171) 306 5051

THE MOST BRILLIANT BOOK EVER WRITTEN



For your complimentary copy, visit
Tiffany & Co. or call 0171 378 8787

between 10am-5.30pm, Monday to Saturday.

TIFFANY & CO.

Since 1837
25 OLD BOND STREET, LONDON W1

246.95
+25
+25
THE STOCKBAG COMPANY
The finest canvas and leather bags made with traditional materials in the award-winning Cambrian workshops of John L. Chapman. All bags are multi-layered canvas and rubber with solid brass tips and buckles, and bridle leather strapping... and no ugly logos. Outstanding value! For a full brochure call:
0171 498 8811
The Stockbag Company
140 Battersea Park Road
London SW11 4NB

244.95
+25 p&p
£39.95
+25 p&p
1

Genuine Montecristi Panama

THE GENUINE PANAMA HAT COMPANY. Only a genuine Montecristi Superfine will roll up to fit in your pocket. We deal in the finest quality hats and accessories. Montecristi is a registered trademark of the Ecuadorian Government. Each hat has been handwoven in the Andean foothills of Ecuador and imported. £29.95 including p&p within the UK. For delivery to Europe add £6. Rest of the World add £16. Sizes 5 3/4 to 7 1/2. (Head circumference 55 to 61cm.) 3 day despatch. Address: Vista, America.

0171 720 3300
Cheques to: The Genuine Panama Hat Company, 140 Battersea Park Road, London SW11 4NB. Tel: 0171 498 8811.

4

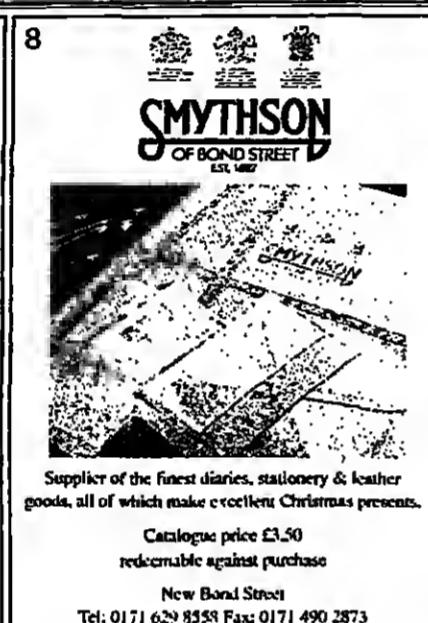
HOLLAND & HOLLAND
Established 1841
The finest traditional materials, the workmanship of skilled hands and an exacting attention to detail and design, all find expression in a unique collection of clothing, accessories and gifts at Holland & Holland.

Celebrating the English 'sporting life', our new catalogue presents a wide selection of distinctive gifts - from cufflinks, watches, ties and tweeds for him; to richly coloured silks, cashmere and hand-stitched luggage for her. A full mail order service is available.

For a complimentary catalogue, please write to 31-33 BRUTON STREET, LONDON W1X 8JS or Call 0171-499-4411

7

THE WHITE HOUSE
A wonderful selection of gift ideas for Christmas. From simple lace handkerchiefs, silk scarves, soft lingerie to rich cashmere sweaters and throws. Also available, a new children's catalogue.
THE WHITE HOUSE
51/52 New Bond Street, London W1Y 0BY
Tel: 0171-629 3521 Fax: 0171-629 8269

8

SMYTHSON OF BOND STREET
Supplier of the finest diaries, stationery & leather goods, all of which make excellent Christmas presents.
Catalogue price £3.50
redeemable against purchase
New Bond Street
Tel: 0171-629 8558 Fax: 0171-490 2873

9

GIEVES & HAWKES
Gieves & Hawkes Personal Tailoring Service offers an individual choice of fabric and design made to order with suit prices from only £595. To receive a copy of our brochure and special introductory offer please contact:
GIEVES & HAWKES
No. 1 Savile Row, London W1X 2JR
Telephone: 0171 434-2001

10

BREITLING
Available from selected jewellers throughout Great Britain and Ireland.
For your nearest stockist
Telephone 0171-637 5167

11

"Moving In"
The Coman Shop's first-ever furniture catalogue.
Information and inspiration to help you create a home that reflects your tastes and interests, your needs and your passions.

12

CHARLES TYRWHITT
"done to perfection"
"Tailoring perfection at outstanding value"
Two-fold cotton poplin shirts for ladies and gentlemen at £29.25 each - 25% OFF Special Offer ends 30 November 1995.
For your FREE catalogue and FREE pair of brass collar stiffeners
Phone 0171 386 9900 or fax 0171 386 0027

13

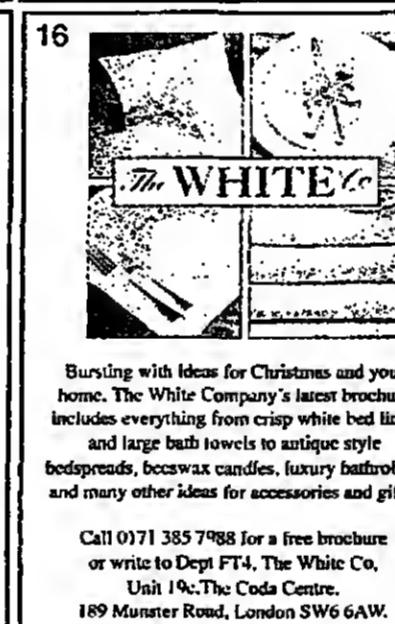
MONT BLANC
THE ART OF WRITING
From the softest leather to the world's finest fountain pen, the Montblanc writing instrument and leather collections offer the most desirable selection of gifts for Christmas.
Available from the Montblanc boutique 64/65 Brington Arcade, London W1V 9AF and selected jewellers, pen specialists and department stores.
For further information or a colour catalogue
Please call 0171 493 6369

14

ARTIGIANO
Made in Italy. The most stylish women's clothes come from Italy. You can now buy Italian contemporary classics directly from the ARTIGIANO mail order catalogue. Superb, softly tailored separates, luxurious knitwear, blouses and belts - all of the highest quality, and with the convenience of mail order.
For your free catalogue please call 01983 531881 quoting ref. FT41
ARTIGIANO, PO Box 1, Yarmouth, Isle of Wight. PO41 0US. fax: 01983 531726

15

The Scotch House
Please telephone 0171-581 2151 extension 510 for your copy of our Autumn/Winter 1995 brochure, price £1.00 (refundable against first purchase)
The Scotch House, 2 Brompton Road, Knightsbridge, London SW1X 9PB.

16

WHITE
Bursting with ideas for Christmas and your home. The White Company's latest brochure includes everything from crisp white bed linen and large bath towels to antique style bedspreads, beeswax candles, luxury bathrobes, and many other ideas for accessories and gifts.
Call 0171 385 7988 for a free brochure or write to Dept FT4, The White Co, Unit 19C, The Coda Centre, 189 Muster Road, London SW6 6AW.

17

Burberry's
Please telephone 0171-930 7803 for your copy of our Autumn / Winter 1995 brochure, price £2.00 (refundable against first purchase). Burberry's, 18-22 Haymarket SW1Y 4DQ

18

NORTON TOWNSEND
Made-to-Measure Service wherever it suits you
• All wool hand cut and finished made-to-measure suits from £300.00.
• Whether at home or in the office we offer a superb selection of styles, cuts and cloths (business or country).
• Have one of our trained tailors take the strain out of buying a new suit.
Call for a brochure or an appointment
0171-705 4701
Central and Greater London, Surrey, Sussex, Kent, East Hants, Essex, Herts, Beds, Bucks, Middlesex, Cambs, Yorkshire, Northumberland, Cumbria, Southern Scotland.

19

CAVENAGH
NEW AUTUMN/WINTER BROCHURE NOW AVAILABLE
TEL: 0171 610 3004
FAX: 0171 610 3119
RETAIL SHOPS:
659 Fulham Road, London SW6 5PT
Tel: 0171 371 0526
(Nearest Tube: Fulham Broadway)
69 MOORGATE, LONDON, EC2R 6BH
TEL: 0171 638 9550
(Nearest Tube: Moorgate)

20

VISITING TAILOR SERVICE
A two piece suit cut and made to your personal requirements from £39. Our tailor will visit you at home or office at no extra charge.
For an appointment anywhere in the British Isles, telephone 0171-839 2244
Burberry's
OF LONDON

21

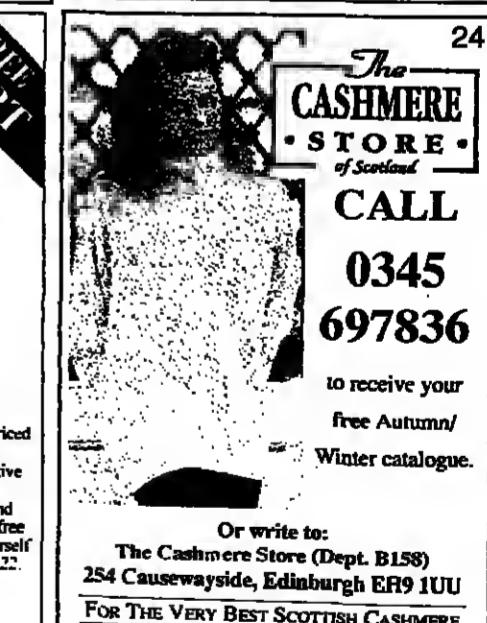
GIFT FOR THE CONNOISSEUR
When only the best will do
When selecting a gift from the Gifts for the Connoisseur brochure, you can be assured of our experience, attention to detail and individual service which will guarantee your complete satisfaction. Inside you will discover a carefully designed range of luxurious Hampers, Wine and Gift Packs that will meet all your requirements - whether you are arranging presents for business colleagues, customers, retired staff, family and friends or for that special promotion or incentive. Our extensive range of services will make your gift giving simple yet very special and if you should have any specific request or need advice, please telephone and we will be only too pleased to assist.
LAETITIA ALLEN LTD.
26 Adam & Eve Mews, London W8 6UJ
COMPLETE GIFT WRAPPING SERVICE AND 24HR DELIVERY AVAILABLE

22

This Christmas give her the ultimate gift of indulgence, a day at The Sanctuary, Covent Garden. Vouchers are available from £10. A complete day membership is £45.00 (includes unlimited use of sauna, steam rooms, whirlpools, swimming pools and a sunbed session). Gift packages which include additional treatments, range from £16 to £185.
The shop at The Sanctuary also offers many unique presents ideal for her.
Telephone: 0171 240 9635

23

FREE SHIRT
JAMES MEADE LIMITED
Our pure cotton shirts are at only £29.50; the best priced classic shirt of this quality. The unique combination of 28 collar sizes and sleeve lengths to give you a perfect fit. And with 115 colours and styles to choose from you are sure to find what you need. Spend £125 and claim your FREE shirt. Send now for your free copy of our Men's Classics catalogue and see for yourself the quality and value we offer. Telephone 01204 332222

24

The CASHMERE STORE of Scotland CALL 0345 697836
to receive your free Autumn/Winter catalogue.
Or write to:
The Cashmere Store (Dept. B158)
254 Causewayside, Edinburgh EH9 1UW
For THE VERY BEST SCOTTISH CASHMERE

25

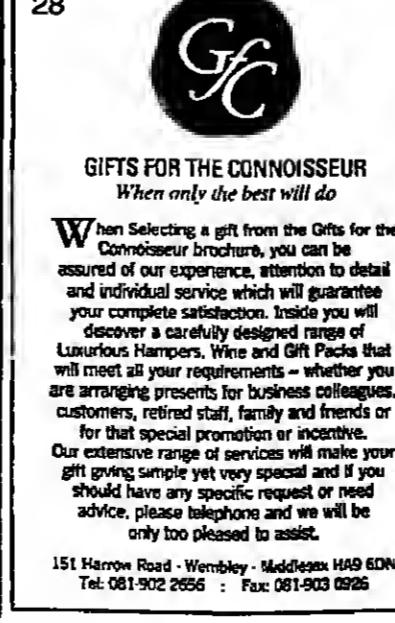
TOP QUALITY COTTON POLO NECKS
100% printed and plain cotton polo necks with terylene in the collar and cuffs. The polo necks come in 16 different designs and 5 plain colours. Sizes range from small childrens, to large adults. Perfect for sporting and smart occasions.
For information or Free Catalogue:
POLO NECK DESIGNS
High Wovers Stables,
Hamilton Road, Newmarket,
Suffolk CB8 0NQ
Tel: 01638 561114 Fax: 01638 667913

26

NEC
Fold Tone
The new NEC Foldtone is a hot favourite this Christmas. It combines sophisticated features (including a personal organiser) with superior performance and sleek modern design - the ultimate in pocketability at a mere 10cm x 5cm when closed. With an rrp. of £179 this is the perfect gift for people with an eye for style who won't compromise on performance. For further information and stockist details call 01753 696777.

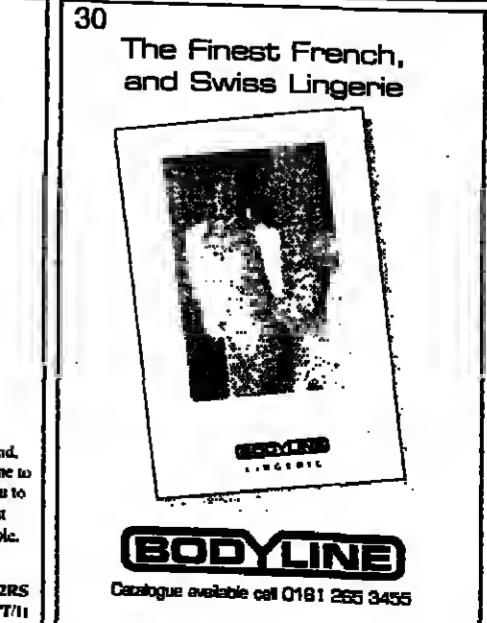
27

The latest edition of the 'Laetitia Allen' catalogue features an exclusive range of fashionable, luxurious underwear and nightwear, as seen in 'Vogue' and 'Elle'.
For your FREE copy (£3 outside UK), simply call us on 0171 221 0140 (24hrs) or write to:
LAETITIA ALLEN LTD.
26 Adam & Eve Mews, London W8 6UJ
COMPLETE GIFT WRAPPING SERVICE AND 24HR DELIVERY AVAILABLE

28

GIFT FOR THE CONNOISSEUR
When only the best will do
When selecting a gift from the Gifts for the Connoisseur brochure, you can be assured of our experience, attention to detail and individual service which will guarantee your complete satisfaction. Inside you will discover a carefully designed range of luxurious Hampers, Wine and Gift Packs that will meet all your requirements - whether you are arranging presents for business colleagues, customers, retired staff, family and friends or for that special promotion or incentive. Our extensive range of services will make your gift giving simple yet very special and if you should have any specific request or need advice, please telephone and we will be only too pleased to assist.
151 Harrow Road - Wembley - Middlesex HA9 6DN
Tel: 081 902 2655 Fax: 081 903 0926

29

FERRARI WORLD
Originating in Italy, birth place of the Ferrari legend, FERRARI WORLD is the first international magazine to bring those cars out of museums and into life for you to experience. For anyone with a love of the greatest sports cars in the world this magazine is indispensable.
For more information and sample copy contact:
Ferrari World, 5 Grosvenor Road, London SW1 2RS
Tel: 0181-877 1089 or Fax: 0181-874 9120 (quote FT71)

30

The Finest French, and Swiss Lingerie

BODYLINE
Catalogue available call 0181 255 3455

HOW TO SPEND IT

From the high Andes to the car park



Plum, navy, heather and anthracite cardigan-cum-jacket, £188, over anthracite alpaca skirt, £37, and alpaca high-neck, £122

Clothes of Peruvian alpaca will keep you warm in Britain, says Lucia van der Post

If you can combine the three virtues of being very thin, under 20 and very rich, then the latest offerings from Prada, Gucci, Versace *et al* which Avril Groom writes about on Page XIV will no doubt be high on your agenda for the coming winter. Oh, and I almost forgot... you need to be impervious to the cold as well.

As for the rest of us as we set off on the school run, do the shopping, take in a country walk, visit friends or the theatre (via the underground car park) we might just be looking for something a little more forgiving, a little more warming and a little less costly. Well, we all know that Prada, Gucci, Versace and their kind are there to add to the gaiety of nations, to inspire and add spice to the business of clothing the developed world, but for actual real-life clothes many of us might turn to something such as the Peruvian Connection.

Here you will find the kind of clothes that seem to have no relationship to high fashion - they are forever clothes, clothes for wearing round the fire, for smuggling into

for walks along wind-swept beaches, for wrapping up in when the fog comes down and the temperature plummets. You do not need a whippet figure to wear them and once bought they will always have a role in your wardrobe.

The Peruvian Connection sells garments most of which come from the Andes. The catalogue features some wonderful Inis Meain Irish knits, but otherwise alpaca, dubbed the Peruvian cashmere, is the main fibre. Alpaca comes from the South American llama which, like the cashmere goat, inhabit the high, hostile regions of the Andes.

Here the cold air induces the llamas to grow thick coats of extremely fine, hollow-cored fleece. They were domesticated as early as the 9th century and today they are bred on a very small scale by native Andean herdsmen.

Soft, lightweight and with an almost silky feel, alpaca is even more scarce and much harder-wearing than cashmere, and it dyes exceedingly well.

The garments are mostly designed in New York and then

hand-made in Peru where the work is the main source of income for about 2,000 women and their families. All use traditional techniques and pass on the skills they learned at their mothers' knees to their own daughters.

Some of the designs have a strong ethnic look, featuring the sort of

any woman's wardrobe. There is also a wonderfully soft cream baby alpaca dressing gown for £145 - perfect for draughty country houses. For throwing over sofas, keeping in the car or putting on a child's bed, there is an Amish coverlet - knitted squares in rich, dark hues for £284.

Apart from the Inis Meain sweaters, there is a small collection of strong, colourful patterns that most of us will recognise from many a travel brochure. Frequently, though, the colours have been made more sophisticated and there is now a big selection of plain knitted garments for men as well as women.

There is, for instance, a loose sweater of astrakhan-textured yarn in a soft grey which would make an easy (and chic) garment for wearing over jeans, grey flannel trousers or leggings. There is a coat-dress of almost Calvin Klein-like simplicity - long, straight lines, button-through to the neck - which could go to the most sophisticated urban event.

Then there is the alpaca shawl - in undyed charcoal alpaca with a herringbone weave running through it, it would earn its keep in

■ *Everything is sold by mail order only; catalogue from The Peruvian Connection, 3 Manor Farm Barns, Nettlebed, Oxfordshire RG9 5DA. Fax: 01865 642174.*



Shawl-collared pullover in a traditional cable pattern by Inis Meain, £182.50



Herringbone herringbone striped coat, £171, worn with pig suede jeans, £150

31

B

Made-to-Measure Suits from £395

Bespoke Tailoring from £950

Made-to-Measure Shirts from £88

BLADES of SAVILE ROW
8 Burlington Gardens London W1X 1LG
0171 734 8911

Visiting tailor service available

32

Cigar Club

The Cigar Club are acknowledged connoisseurs of Fine Cigars and are the established leaders in Direct Purchase Marketing. With over 40 years experience The Cigar Club are renowned for their quality of service and products. Offering a world wide delivery service, we pass the savings of Direct Mail directly to our customers. For a current catalogue please telephone 0181 902 2656 (24 Hour Answering Service) Fax: 0181 903 0926

33

Avery's of Bristol

Fine Wine Merchants since 1793, serving discriminating customers nationwide.

Ask for details of our Christmas Offers now.

Phone: 01275 811100
Fax: 01275 811101

GENUINE BIRTHDAY NEWSPAPERS

From famous archive saved from 1642-1995. Sunday Newspapers from 1915. Ready for presentation. Same day dispatch.

REMEMBER WHEN
368 Brighton Road, South Croydon, Surrey. **0181 688 6323**

35

SUCCESS of LONDON

Success of London, the quaint emporium in Marylebone, central London, offers The Seven Star Diary, the most versatile and flexible organiser on the market. Available in an assortment of luxurious leather finishes, sizes and colours, either through the shop or via mail order, the Diary makes the perfect gift. Free illustrated catalogue gives details. Success of London also offers a selection of individual gifts, including work by English artists and designers, and limited editions from overseas.

Contact:
Success of London
60a Crawford Street
London W1H 1HS.
Tel: 0171 723 0738 Fax: 0171 706 0460

ESSENTIAL CHRISTMAS LUXURIES CATALOGUE GUIDE ORDER FORM

Please tick appropriate boxes for catalogues that you would like to receive, enter your own name and address and then send or fax this coupon to the address/fax number shown. Replies must be no later than November 18th 1995.

1. The Stockbag Company	<input type="checkbox"/>	19. Beers International	<input type="checkbox"/>
2. The Genuine Panama Hat Company	<input type="checkbox"/>	20. Cavenagh	<input type="checkbox"/>
3. Penhaligon's	£3.00	21. Burberrys Visiting Tailor Service	<input type="checkbox"/>
4. Holland & Holland	<input type="checkbox"/>	22. The Sanctuary	<input type="checkbox"/>
5. Hackett	£2.00	23. James Meade	<input type="checkbox"/>
6. Zenith	<input type="checkbox"/>	24. The Cashmere Store	<input type="checkbox"/>
7. The White House	<input type="checkbox"/>	25. Polo Neck Designs	<input type="checkbox"/>
8. Smythson of Bond St.	£3.50	26. NEC Foldfone	<input type="checkbox"/>
9. Gieves & Hawkes	<input type="checkbox"/>	27. Laetitia Allen Ltd	UK free, Overseas £3
10. Breitling	<input type="checkbox"/>	28. Gifts for the Connoisseur	<input type="checkbox"/>
11. The Conran Shop	<input type="checkbox"/>	29. Ferrari World	<input type="checkbox"/>
12. Charles Tyrwhitt	<input type="checkbox"/>	30. Bodyline Lingerie	<input type="checkbox"/>
13. Mont Blanc	<input type="checkbox"/>	31. Blades	<input type="checkbox"/>
14. Artigiano	<input type="checkbox"/>	32. The Cigar Club	<input type="checkbox"/>
15. The Scotch House	£1.00	33. Avery's of Bristol	<input type="checkbox"/>
16. The White Co.	<input type="checkbox"/>	34. Remember When	<input type="checkbox"/>
17. Burberrys	£2.00	35. Success of London	<input type="checkbox"/>
18. Norton & Townsend	<input type="checkbox"/>		

NAME

ADDRESS

POSTCODE TEL:

For any catalogues that require payment, please make cheque payable in Sterling or current equivalent currency rate, to the FINANCIAL TIMES LTD. and send it with this reply coupon to:

WEEKEND FT ESSENTIAL LUXURIES CATALOGUE (Ref 20/95)

Capacity House, 2-6 Rothsay Street, London SE1 4UD. Fax No: 0171 357 6065

Addresses supplied by readers in response to this guide will be retained by the Financial Times, which is registered under Data Protection Act 1984.

What's on in the principal cities

AMSTERDAM

GALLERIES

- Rijksmuseum Tel: (020) 673 21 21
 - The Portrait: drawings, prints and photos spanning some 500 years. Artists include Van Gogh, Rembrandt and Gauguin; to Oct 29
 - 100 Years: three exhibitions to celebrate 100 years of The Stedelijk. On show is art from the Regnault Collection which includes the likes of Kandinsky, Chagall and Chirico plus specially commissioned work for the centenary; to Oct 29
 - Christian Basteians: giant video installation, from Oct 14 to Nov 26

OPERA/BALLET

- Het Muziektheater Tel: (020) 551 89 22
 - Moses and Aron: by Schoenberg. A new production directed by Peter Stein and conducted by Pierre Boulez. Soloists include David Pittman-Jennings as Moses and Chris Merritt as Aron; 8pm; Oct 15 (1.30pm) 17, 20, 23

ANTWERP

OPERA/BALLET

- De Vlaamse Opera Tel: (03) 233 66 85
 - The Marriage of Figaro: by Mozart. Conducted by Bernard Haitink/David Syrus and directed by Patrick Young. Soloists include Felicity Lott/Chery Studer, Andrea Rose/Barbara Bonney and Robin Leggate/Rydland Davies; 7pm; Oct 19, 18
 - Madame Butterfly: by Puccini. Conductor Sebastian Lang-Leesing, production by Pier Luigi Sameran; 7.30pm; Oct 21

ATHENS

GALLERIES

- Cycadic Art
 - British Images of Greece: from the Benaki Museum; to Oct 30

BALTIMORE

CONCERTS

- Symphony Hall Tel: (410) 783 8000
 - Baltimore Symphony Orchestra: with soprano Janice Chandler. Christopher Seaman conducts Bach, Villa-Lobos, R. Strauss and Schumann; 8pm; Oct 14, 15 (3pm)
 - Baltimore Symphony Orchestra: with soprano Harold Blackwell, mezzo-soprano Delores Ziegler and tenor Karl Dent. Robert Shaw conducts Barber and Mozart; 8.15pm; Oct 19, 20, 21

GALLERIES

- Baltimore Museum Tel: (410) 396 6310
 - Parallels and Precedents: 19th century French art from the George A. Lucas Collection. The exhibition highlights the parallels between the Lucas Collection and permanent collections in the BMA and the Walters Art Gallery with more than 100 pieces by artists such as Monet, Matisse and Pissarro; to Oct 15

OPERA/BALLET

- Lyric Opera House Tel: (410) 727 6000
 - Le Traviata: conducted by Alfredo Silipigni and directed by Frank Corsaro. Cast includes Daniela Longhi/Maria Pellegrini, Nicole Blondi and Steven Rainbolt; 8.15pm; Oct 14, 19 (7.30pm), 20, 21, 22 (3pm)

BARCELONA

GALLERIES

- Centre de Cultura Contemporània Tel: (03) 4120781
 - A Century of Cinema: documents, photographs, excerpts from films, sound documents and showings of the most representative images of the medium; to Jan 15
 - Fundación Joan Miró Tel: (03) 329 19 08
 - Arata Isozaki: drawings and paintings by the Japanese architect who was responsible for the Los Angeles Museum of Art, the Brooklyn Museum, Munich Museum of Art and other buildings of a public nature; to Nov 5
 - Oix, Reus, Paris, London - That's How I Wander... installation by the group of artists, Fundació Joan Miró: 13 trunks filled with moments and dreams of childhood reflect a voyage through time and memories; to Nov 19

BERLIN

GALLERIES

- Bauhaus Archiv Tel: (030) 254 020
 - The A and O of the Bauhaus: more than 400 Bauhaus advertising designs that demonstrate their printing, typography and graphics; to Nov 12
 - Martin-Gropius-Bau Tel: (030) 25 48 60
 - Berlin-Moscow Moscow-Berlin: 2,000 paintings, photographs, film and stage sets by artists such as Dix, Chagall, Nabokov and Grosz. This is the centrepiece of the Berlin-Moscow festival and includes art works from the Tretyakov Gallery; to Jan 1
 - Neue Nationalgalerie Tel: (030) 2682653
 - Cy Twombly: comprehensive retrospective consisting of 120 works by the contemporary American artist; to Nov 19

OPERA/BALLET

- Deutsche Oper Tel: (030) 34384-01
 - Götterdämmerung: By Wagner.



INTERNATIONAL ARTS GUIDE

the American Civil Rights Movement by artists such as Gordon Parks and James Kerasas; to Oct 14

- Seatchi Tel: (0171) 624 8299
 - Young British Artists V: works by Kerry Stewart, Glenn Brown, Keith Coventry and Hadrian Pigott; to Dec 30
 - Serpentine Tel: (0171) 402 0343
 - Big City, Artists from Africa: sculptures, drawings, images and objects by contemporary artists from several African countries; to Nov 5
 - South London Gallery Tel: (0171) 703 6120
 - Gilbert and George: The Naked Shit Pictures. Recent works by the artists; to Oct 15

OPERA/BALLET

- English National Opera Tel: (0171) 632 8300
 - Carmen: by Bizet. Conducted by Sir Edward/ Michael Lloyd and directed by Jonathan Miller. Soloists include Louise Winter, Robert Brubaker and Janice Watson/Cathryn Pope; 7.30pm; Oct 19, 21 (2pm)
 - Royal Opera House Tel: (0171) 304 4000
 - The Marriage of Figaro: by Mozart. Conducted by Bernard Haitink/David Syrus and directed by Patrick Young. Soloists include Felicity Lott/Chery Studer, Andrea Rose/Barbara Bonney and Robin Leggate/Rydland Davies; 7pm; Oct 19, 18
 - Tosca: by Puccini. Conducted by Simon Young and directed by Jeremy Sutcliffe. Soloists include Galina Gorchakova, Johan Botha and Francis Egerton; 7.30pm; Oct 17, 20, 22

THEATRE

- Donmar Warehouse Tel: (0171) 369 1732
 - The Glass Menagerie: by Tennessee Williams, directed by Sam Mendes. Cast includes Zöe Wanamaker and Claire Skinner; 8pm; to Nov 5

LOS ANGELES

GALLERIES

- County Museum Tel: (213) 857 6000
 - Adrian, the Couture Years (1942-1952): premiere of a permanent collection featuring approximately 40 pieces by the costume designer Gilbert Adrian. This exhibition focuses on his post-Hollywood period of couture fashion; to Jan 7

- Frank Lloyd Wright and Japan: Japanese folding screens, textiles, sculpture, ceramics and prints collected by the architect; to Jan 7
- Museum of Contemporary Art Tel: (213) 626 6222
 - 1965-1975, Reconsidering the Object of Art: exploration into the development of contemporary art between 1965-75 and how the artistic community began to re-examine form, function and meaning; from Oct 15 to Feb 4
 - Cycles, Strategies, Dialogues: works created during the 1980's from the museum's permanent collection that survey the decade of aesthetic investigation; to Nov 12

PARIS

CONCERTS

- Champs Elysées Tel: (1) 49 52 50 50
 - José van Dam: bass baritone accompanied by pianist Maciej Plikuszyk's 'Le Voyage d'Hiver'; 9.30pm; Oct 14

- Cort Theatre Tel: (212) 239 6200
 - The Heiress: by Henry James, stage adaptation by Ruth and Augustus Goetz and directed by Gerald Gutierrez. Cast includes Cherry Jones, Remai Ramirez, Frances Sternhagen and Michael Cumpsty; 8pm; (Not Mon)

GALLERIES

- Centre Georges Pompidou Tel: (1) 42 77 12 33
 - Feminine and Masculine: the sexuality of art. Exhibition exploring sexual identity and its effect on twentieth century artists; from Oct 19 to Jan 8

- National Gallery Tel: (202) 737 4215
 - A Great Heritage: Renaissance and Baroque drawings from Chatsworth consisting of 105 works by artists such as Rembrandt, van Dyck and Raphael; to Dec 31

- National Portrait Tel: (202) 763 5000
 - Artful Advocacy: cartoons from the Women Suffrage Movement. In celebration of the 75th anniversary of this movement, approximately 25 cartoons produced between 1912 and 1919 are featured. Artists include Nina Allender, Blanche Ames and Lou Rogers; to Jan 7

- Julia Margaret Cameron: the MIA album. 19th century photographs including portraits of Alfred Lord Tennyson and Sir John Herschel; to Oct 29

- National Portrait
 - Portrait of Cecilia Beaux and the Art of Portraiture: turn of the century portrait painter; to Jan 26

- Sackler Tel: (202) 357 2700
 - Goya: Japanese prints. 18 colour wood-block prints by Hishiguchi Goya; to Mar 17

- Textile Museum
 - Mysterious Voids at the Heart of Historic Textiles: A Search For Meaning. Textiles are viewed as objects that create space. This exhibition consists of 23 rugs and textiles from Peru, Turkey, Guatemala, China, Africa and India; to Jan 17

- OPERA/BALLET

- Centre Georges Pompidou Tel: (1) 42 77 12 33
 - Marie Par: British photographer uses motorists and tourism for his inspiration; to Oct 30

- Galerie Schmitz Tel: (1) 42 60 36 36
 - La Famille: from Crotot to Chagall. 60 paintings dating from 1824-1949 by artists such as Degas, Gauguin, Picasso and Renoir; from Oct 24 to Feb 28

- Centre National de la Photographie Tel: (1) 53 76 12 31
 - Martin Parr: British photographer uses motorists and tourism for his inspiration; to Oct 30

- Galerie Schmitz Tel: (1) 42 60 36 36
 - La Famille: from Crotot to Chagall. 60 paintings dating from 1824-1949 by artists such as Degas, Gauguin, Picasso and Renoir; from Oct 24 to Feb 28

- Centre National de la Photographie Tel: (1) 53 76 12 31
 - Martin Parr: British photographer uses motorists and tourism for his inspiration; to Oct 30

- Galerie Schmitz Tel: (1) 42 60 36 36
 - La Famille: from Crotot to Chagall. 60 paintings dating from 1824-1949 by artists such as Degas, Gauguin, Picasso and Renoir; from Oct 24 to Feb 28

- Centre National de la Photographie Tel: (1) 53 76 12 31
 - Martin Parr: British photographer uses motorists and tourism for his inspiration; to Oct 30

- Galerie Schmitz Tel: (1) 42 60 36 36
 - La Famille: from Crotot to Chagall. 60 paintings dating from 1824-1949 by artists such as Degas, Gauguin, Picasso and Renoir; from Oct 24 to Feb 28

- Centre National de la Photographie Tel: (1) 53 76 12 31
 - Martin Parr: British photographer uses motorists and tourism for his inspiration; to Oct 30

- Galerie Schmitz Tel: (1) 42 60 36 36
 - La Famille: from Crotot to Chagall. 60 paintings dating from 1824-1949 by artists such as Degas, Gauguin, Picasso and Renoir; from Oct 24 to Feb 28

- Centre National de la Photographie Tel: (1) 53 76 12 31
 - Martin Parr: British photographer uses motorists and tourism for his inspiration; to Oct 30

- Galerie Schmitz Tel: (1) 42 60 36 36
 - La Famille: from Crotot to Chagall. 60 paintings dating from 1824-1949 by artists such as Degas, Gauguin, Picasso and Renoir; from Oct 24 to Feb 28

- Centre National de la Photographie Tel: (1) 53 76 12 31
 - Martin Parr: British photographer uses motorists and tourism for his inspiration; to Oct 30

- Galerie Schmitz Tel: (1) 42 60 36 36
 - La Famille: from Crotot to Chagall. 60 paintings dating from 1824-1949 by artists such as Degas, Gauguin, Picasso and Renoir; from Oct 24 to Feb 28

- Centre National de la Photographie Tel: (1) 53 76 12 31
 - Martin Parr: British photographer uses motorists and tourism for his inspiration; to Oct 30

- Galerie Schmitz Tel: (1) 42 60 36 36
 - La Famille: from Crotot to Chagall. 60 paintings dating from 1824-1949 by artists such as Degas, Gauguin, Picasso and Renoir; from Oct 24 to Feb 28

- Centre National de la Photographie Tel: (1) 53 76 12 31
 - Martin Parr: British photographer uses motorists and tourism for his inspiration; to Oct 30

- Galerie Schmitz Tel: (1) 42 60 36 36
 - La Famille: from Crotot to Chagall. 60 paintings dating from 1824-1949 by artists such as Degas, Gauguin, Picasso and Renoir; from Oct 24 to Feb 28

- Centre National de la Photographie Tel: (1) 53 76 12 31
 - Martin Parr: British photographer uses motorists and tourism for his inspiration; to Oct 30

- Galerie Schmitz Tel: (1) 42 60 36 36
 - La Famille: from Crotot to Chagall. 60 paintings dating from 1824-1949 by artists such as Degas, Gauguin, Picasso and Renoir; from Oct 24 to Feb 28

- Centre National de la Photographie Tel: (1) 53 76 12 31
 - Martin Parr: British photographer uses motorists and tourism for his inspiration; to Oct 30

- Galerie Schmitz Tel: (1) 42 60 36 36
 - La Famille: from Crotot to Chagall. 60 paintings dating from 1824-1949 by artists such as Degas, Gauguin, Picasso and Renoir; from Oct 24 to Feb 28

- Centre National de la Photographie Tel: (1) 53 76 12 31
 - Martin Parr: British photographer uses motorists and tourism for his inspiration; to Oct 30

- Galerie Schmitz Tel: (1) 42 60 36 36
 - La Famille: from Crotot to Chagall. 60 paintings dating from 1824-1949 by artists such as Degas, Gauguin, Picasso and Renoir; from Oct 24 to Feb 28

- Centre National de la Photographie Tel: (1) 53 76 12 31
 - Martin Parr: British photographer uses motorists and tourism for his inspiration; to Oct 30

- Galerie Schmitz Tel: (1) 42 60 36 36
 - La Famille: from Crotot to Chagall. 60 paintings dating from 1824-1949 by artists such as Degas, Gauguin, Picasso and Renoir;



James Morgan

The privilege of being Italian

Debt does not need to become a burden – as one country in Europe is able to demonstrate

It is not often that one reads something deeply depressing in these pages. But last week Joe Rogaly wrote, "Forza Italia! – Berlusconi – representative... thought that Italy would never be able to reduce the ratio of its debt to its gross domestic product to the Maastricht 60 per cent. The figure is currently more than twice that."

Italy's new elite, it seemed, had lost the capacity to overturn the tedious tenets of conventional wisdom. What had happened to the country, which had abandoned the notion that retirement pensions were for the relatively old and offered them, instead, to people of 35? And provided another one at the age of 50 should the retiree continue to work? This was the

nation that had resisted the notion that the recipients should lose such pensions merely because they happened to be dead. It had fought the idea that those receiving unemployment pay should not work. Here was a country which had overtaken Britain in the prosperity stakes by increasing government spending and including illicit economic activity in the national accounts. That this inventiveness should concede victory to the dreary calculations of Brussels accountants seemed to be a defeat for the human spirit.

At the time this confession of failure appeared, I was attending a World Bank seminar in Washington on the future of portfolio flows to emerging markets in the wake of the Mexican disaster. The news

from Italy cast, for me, a dark cloud over the festive proceedings. But it is always darkest just before the dawn. The Italians had not lost their gifts. Someone, somewhere would start thinking in conventional terms and seize on this apparent crisis as an opportunity.

The key to the solution turned out to be simple. Everyone who has discussed the problems of the Maastricht debt criteria has always thought in terms of reducing the debt. But a solution is achieved by thinking in reverse.

That afternoon in Washington an Italian colleague handed me a copy of the latest edition of the *Corriere della Sera*. A front-page report from a bankers' meeting quoted a proposal put forward by Piero Bassetti, president of the

Milan Chamber of Commerce. Bassetti had noted that the debt ratio could be reduced not only by cutting the debt but also by raising production. The naïve may think that meant that if Italy grew by 20 per cent a year for three years or so it would be more or less in a position to meet the demanding Maastricht criteria so long as the debt remained the same. But clearly that would be impossible.

His insight was different. Bassetti said that success could be achieved by "modifying the denominator of the fraction". In other words, all that was necessary was to recalculate the present level of Italian gross domestic product. Bassetti pointed out that this had been done before – at the time Italy achieved its *sorpasso*, the

overtaking of Britain by such a revision, and it could be done again.

So if Italy were twice as rich as it is believed to be today, she would "achieve Europe" as they say. It was a pity that the *Corriere* was sceptical about the idea. "Italian fantasy can be applied to macroeconomics," it wrote, but added that Mario Monti, the Italian Euro-commissioner, who had attended the same meeting, had not clearly that would be impossible.

Few would want to contest the new revised figures. They would mean that the country was the richest in the world, but why not?

We already know that Italy is in many ways the richest country in the world. Which other nation so draws in priceless relics? Which

has inspired poets and painters to the same degree? There is a current fashion to rework national income figures in any way that statisticians see fit.

Calculations about such matters are entirely arbitrary. Italy offers its citizens the unique privilege of being Italian. That is worth a lot of money, the possession of an agreeable citizenship can always be translated into many thousands of dollars in annual income. What would you pay to live nine months by Lake Como? Compare that with a house in Frankfurt and a holiday cottage in Lower Saxony. How much would an Italian sacrifice for that?

■ James Morgan is economics correspondent of the BBC World service.

Peter Aspden
Home is where the heart is



It is all too easy to become nostalgic about the death of Lord Home, the "last gentleman" of British politics, the aristocrat with the easy charm and pleasantly bumbling approach to the things – economic models, media image, spin doctors – we hold in higher regard today.

But Home was no fool. When he famously confessed to working out his sums with matchsticks, he was employing that smooth, self-deprecating, ironic tone which is such a formidable weapon of the upper classes when talking to an audience. It constitutes a friendly pat on the head – don't you worry about me, I'm harmless – which effectively disguises true intention.

Home's intentions were not much different from those of any politician; within a year of making that disingenuous statement, he was prime minister. But the tides were already turning.

By coincidence, in the very week that the "magic circle" of Tory grandees solemnly mulled over the Macmillan succession in October 1963, four upwardly-mobile lads from Liverpool were busy recording their next chart-topper.

"Want to Hold Your Hand" was all breathless exhilaration, almost out of control, warning to 1960s Britain that social mores were about to be blown apart and to the gentlemanly Home that the fey politics of pass-the-cucumber

The Britain of orderly queues and corner shops has all but vanished, say critics

sandwiches were not cutting it any more.

But the grandees weren't hip to the groove. They plumped for the well-mannered patrician who managed the unlikely task of making Harold Wilson, then leader of the Labour Party, look like a radical agent of profound social change.

One more year later, and Home was dumped by an electorate tired of being patronised. He took his defeat graciously, and has spent most of his time since in benign elder-statesman mode, watching in awe as a very different strand of Conservative politics unravelled before him.

But the feeling remains that Home's manner, courteous and humble, was a powerful symbol of all that was good in Britain, and that it is much missed today. The Britain of orderly queues, corner shops, red telephone boxes and green sports cars has all but vanished, say critics, to be replaced by a sordid and selfish materialism.

One group which has decided to do something about this perceived change of national temperament is the surreally-named Polite Society. The group, run by a congregational minister in Newcastle-under-Lyme, is concerned about the aggressive tone of modern Britain, and last week declared a National Day of Courtesy for the country's road users.

Now I happen to think that most drivers in Britain are pretty considerate. They wave you through gaps in traffic, raise their hands in gratitude, and even stop occasionally to allow you out of a tricky side road by flashing their full-beam headlights (beware, however, if the car bears Italian number plates for this signal means "Please get out of my way").

The beauty of these signs and codes is that they have evolved spontaneously, without any direction from the powers above.

They are part of a sub-culture of everyday behaviour which is profoundly ethical, and often puzzles those who live outside the UK: like the maddening incantations of "pleases" and "thank-yous" which accompany the most banal of transactions; the refusal to take the last Chocolate Oliver from the table; the kneejerking "sorry" which accompanies every brush of accidental physical contact.

We do not need a Polite Society. Of course moral attitudes have changed, of course modern life is badder, more stressful, less homogeneous than it was in Home's day. But today's politeness is just different.

I once walked behind a swagging young West Indian man who, I guessed from his dress and demeanour, was on his way to a wedding. Suddenly, and without realising, he dropped a packet containing all his buttonholes. I picked it up and ran after him to return his valuable package.

He fixed me with a stare, looked me up and down and declared: "You've saved my ***ing life." And he walked on. No pleases, no thank-yous, and an obscenity to boot. But it was the most heartfelt response I had heard for a long time, and it sounded pretty polite to me.



The Duchess of Devonshire: her talent has been to capture a quintessentially aristocratic and eccentric English atmosphere

EE Greenough

Interview / Paul Betts

Duchess of higgledy-piggledy

Duchess.

Self-taught ("I never went to school and I've never taken a course in anything") the Duchess took over the task of turning Chatsworth into a home and later redecorating the hotel at Bolton Abbey.

When she was 20, her idea of interior design was to paint everything pink. That is no longer the case.

Her talent has been the ability to capture a quintessentially aristocratic and eccentric English atmosphere in redecorating the house and the hotel. That talent has extended to her shops selling "Duke's Favourite Sausages", home-made jams and English wines.

To a comment on her retail savvy, she replied: "I'd love to be a Marks and Spencer tycoon."

She puts it all down to woman's intuition. "It's slapdash and it's luck if it comes off," she said, explaining that she inherited her talents from her mother, Lady Redesdale. "She was brilliant. She never had any money, did things very cheaply and very prettily. My sisters also inherited this gift. Diana Mosley could have been a decorator, so could Nancy."

The Duchess took over the task of redecorating the houses – Chatsworth, a small hotel on the Chatsworth estate called the Cavendish and the Devonshire Arms on the family's 30,000-acre Yorkshire estate – because "we couldn't afford anybody else". So she hunted wholesale stores in Oxford Street to buy the

cheapest possible fabrics, but when she disclosed her name they told her they could not supply her because she was not trade. After some insisting, they finally did.

She scoured the Yellow Pages to find a curtain maker. "Three ladies came. I chose one and she did all the curtains for the Devonshire Arms. She and her husband still work for us; she's become an expert in curtain restoration and he is a wonderful French polisher."

People who come to work for the Duchess stay. "She is a very professional businesswoman," said Martin Harris, a hotelier with experience of London's Savoy and Connaught, recruited to turn around the then loss-making Devonshire Arms.

"I never stayed in a job for more than three years but I've now been here for eight," he said.

Jean Pierre Beraud was hired for three months as the family chef; 16 years later the Frenchman is still at Chatsworth running the new self-service restaurant in the converted stables which serves 20,000 to 30,000 meals a month to the constant flow of visitors. It was Beraud who helped save the estate's farm shop.

"It was going bust and we were told we would have to shut it down if we could not turn it around," said the Duchess. Beraud expanded the shop and built a bakery. It attracts locals and tourists alike. The separate gift shop, which used to sell only postcards and guide books, now turns over £1m a year selling

everything from china to bath essence.

Beraud was also sent to Yorkshire to sort out the kitchen at the Devonshire Arms. "When I arrived there were literally no pots and pans, no decent cooker. I had to go out and buy everything and send the bill to the Duchess," he said.

The Frenchman seems to be part of the family. "Last weekend he took us out to pick fungi and all

everything from china to bath essence.

Beraud was also sent to Yorkshire to sort out the kitchen at the Devonshire Arms. "When I arrived there were literally no pots and pans, no decent cooker. I had to go out and buy everything and send the bill to the Duchess," he said.

The Frenchman seems to be part of the family. "Last weekend he took us out to pick fungi and all

those things Nanny told us not to touch," said the Duchess. "We are blessed with the best staff. It's luck. It's like falling in love," she said, still struggling with the Selottape at the tip of her shoe.

But it would not work without the celebration of Englishness she creates at Chatsworth.

There are Wellington boots lining the entrance for the use of guests. There is a cricket pitch and a pub. Much of the furniture and paintings comes from Chatsworth. The rooms have been decorated to make the

guests feel they are in an English country home.

One day I saw someone walking on one of the machines in the gym. What is the world coming to, I asked myself, when you can go outside on the most wonderful walks all around here," she said.

She conducts her own market research. After board meetings of the hotel company, she has a habit of wandering around the lounges of the Devonshire Arms introducing herself to guests simply as a director and asking them what they think. She also discovered that only 2 per cent of guests use the facilities of the new health centre.

The Duchess betrays the same simple pleasures of the aristocratic when it comes to food. The hotel has a gourmet restaurant named after the duke's architect ancestor, Lord Burlington, a disciple of Palladio who was responsible for Chiswick House and the Burlington Arcade in Piccadilly. "Hotel food to me is a problem. I'm too old to change my idea of very simple food on one plate. But people like enormous plates and dishes with exotic names such as asparagus lobster."

And with the faintest of sighs, the hotelier Duchess added: "It's what the public wants."

■ The Devonshire Arms Country House Hotel, Bolton Abbey, North Yorkshire BD23 6AU. 01756-710441. Chatsworth House, Bakewell, Derbyshire DE4 5JU. Tel: 01246-582204. The house is open to the public every day until October 30 1995 and then reopens on March 20 1996.

my cigar smoke hangs in the air.

If you are patient, and wait around the hotel watering hole you may spot an Old Buffer coming for his evening drink. The barman, as old as he is, places it in front of him without being asked, and watches out of the corner of his eye, unsteady on his pins.

I sit by the pool, and am the last to leave. I watch the steward lock the changing room and close the bar and fold the chairs. And after he has poured chlorine from a sown-off plastic bottle into the deep end of the pool, he picks up his newspaper and bids me good night.

No key-cards here, just mortise locks and long-shanked keys, attached to blocks of wood, polished by handling over the years.

At night the sky is clear and the stars lie low, and the sounds of the village drift up from the valley, where the cooking fires flicker, and

get their daily red-wax polish.

The dining room floor creaks, wooden beams cross the ceiling, and the food is British colonial. The menu for each table is typed on the receptionist's Remington, which also taps out the bill at the end of your stay.

A faded map in the lobby shows the walks you can take, but I have never gone beyond the garden, acres of lawn and shrubs and flower beds, with benches beneath trees. I always mean to take the river walk, but I haven't got round to it, just as I have yet to play the adjoining golf course. Nor for that matter have I used the squash court, just across from the verandahs. I

have never seen anyone on it, but it is nice to know that it is there, if you want it.

The breakfast menu has "Good Morning" without an exclamation mark, and there is no sign saying "Please wait to be shown to your table".

The waiters are not servants but retainers, in bow tie and black jackets and starched white shirts, and expect you to be at your table between 7.30pm and 8pm. They want to serve you coffee by 9.30pm because they like to leave for the village by 10pm.

The ceilings in my room are high, and geckoes come out in the evening. I lie beneath a mosquito net,

I where it is. I want to keep it to myself.

The billiard room smells musty, and the cues are neatly stacked, and the last person using the table must turn out the lights.

The residents' lounge has deep chintz-covered armchairs, and Dornford Yates on the shelves of the glass-fronted bookcase: "Key obtainable from reception", but the key has long gone missing.

You were expected to write your name and room number in the notebook, with a pencil attached by a piece of string. But things have got slack, and no one bothers any more. Or perhaps no one reads Dornford Yates any more.

The French doors of my room open on to the lawn, and I sit on the steps and write these notes. Africa begins beyond the encircling flower bed, and then stretches for miles, until you reach Mount

get their daily red-wax polish.

The dining room floor creaks, wooden beams cross the ceiling, and the food is British colonial. The menu for each table is typed on the receptionist's Remington, which also taps out the bill at the end of your stay.

A faded map in the lobby shows the walks you can take, but I have never gone beyond the garden, acres of lawn and shrubs and flower beds, with benches beneath trees. I always mean to take the river walk, but I haven't got round to it, just as I have yet to play the adjoining golf course. Nor for that matter have I used the squash court, just across from the verandahs. I

have never seen anyone on it, but it is nice to know that it is there, if you want it.

The

breakfast menu has "Good Morning" without an exclamation mark, and there is no sign saying "Please wait to be shown to your table".

The

waiters are not servants but retainers, in bow tie and black jackets and starched white shirts, and expect you to be at your table between 7.30pm and 8pm. They want to serve you coffee by 9.30pm because they like to leave for the village by 10pm.

The

ceilings in my room are high, and geckoes come out in the evening. I lie beneath a mosquito net,

and watch the flames from the fireplace flicker on the ceiling, and when I awake the embers still glow. I do not know if the radio in the old wooden cabinet by my bed works, because I have never thought to turn it on.

The

bathroom is as big as some modern hotel bedrooms, and has a deep, enamelled tub, and an Armitage and Shanks lavatory, substantial and solid on its porcelain plinth. I distrust those bowls that project from the wall, with no visible means of support.

The

ceilings in my room are high, and geckoes come out in the evening. I lie beneath a mosquito net,

WEEKEND INVESTOR

■ Last week's preliminary results

Company	Sector to	Year	Pre-tax profit (£'000)	Earnings per share (p)	Dividends per share (p)
Boco Music	Entertainment	Pre	300	6,310.4	0.7
Entertainment Co. Ltd	Entertainment	Int'l	127.3	1,331.3	0.7
Fast Outlets Int'l	Entertainment	Int'l	2,230	2,250	2.1
Gen Biotechnology	Healthcare	Int'l	407	2,544	0.6
Genetics Ltd	Healthcare	Int'l	127.3	1,331.3	0.7
Global Electronics	Electronics	Int'l	61.1	0.51	1.0
Global Indulgences	Food	Int'l	42,200	65,500	0.25
Global Management	Food	Int'l	30,400	130,000	1.0
Global Management	Food	Int'l	1,210	6,350	0.5
Global Management	Food	Int'l	7,030	6,210	1.2
Global Music & Images	Entertainment	Int'l	12,556	1,100	1.6
Global Net	Entertainment	Int'l	12,556	1,100	1.6
Global Retailers	Food	Int'l	5,000	22,000	2.0
Global Retailers	Food	Int'l	6,000	14,000	1.4
Global Retailers	Food	Int'l	7,000	12,000	1.2
Global Retailers	Food	Int'l	11,000	12,000	1.2
Global Retailers	Food	Int'l	322	20	1.2
Global Retailers	Food	Int'l	8,710	6,400	1.0

■ Last week's interim results

Company	Sector to	Half year to	Pre-tax profit (£'000)	Interim dividends per share (p)
Alexandra Workwear	Text	Aug	2,740 (2,160)	2.5 (2.1)
AMSS	Retail	Aug	401	0.1
AMSS	Retail	Sep	1,770 (1,200)	2.0 (1.7)
Amico	Entertainment	Aug	88 (24)	2.2 (2.2)
Amico	Entertainment	Aug	12,600 (10,900)	16 (11.5)
Amico	Entertainment	Aug	657 (470)	1.0
Amico	Entertainment	Aug	169 L (165 L)	1.0
Amico	Entertainment	Aug	1,630 (6,650)	17.5 (14.0)
Amico	Entertainment	Aug	2,040 (2,160)	0.8 (0.6)
Amico	Entertainment	Aug	200 L (201 L)	1.0
Amico	Entertainment	Aug	17 (1.0)	1.0
Amico	Entertainment	Aug	2,000 (1,200)	1.25 (0.75)
Amico	Entertainment	Aug	14,100 (12,300)	2.0 (1.7)
Amico	Entertainment	Aug	1,800 (700)	5.0 (4.0)
Amico	Entertainment	Aug	9,520 (6,050)	6.225 (5.925)
Amico	Entertainment	Aug	20 (35)	0.13 (0.13)
Amico	Entertainment	Aug	6,570 (5,650)	2.4 (2.25)
Amico	Entertainment	Aug	1,850 (3,770)	1.73 (1.53)
Amico	Entertainment	Aug	600 (1,000)	0.6 (0.8)
Amico	Entertainment	Aug	404,500 L (400,000 L)	0.5 (0.95)
Amico	Entertainment	Aug	113 (89)	1.0 (1.0)
Amico	Entertainment	Aug	414 (1,400)	1.0 (0.5)
Amico	Entertainment	Aug	1103 (1.1)	1.5 (1.4)
Amico	Entertainment	Aug	4,820 (2,550)	2.75 (1.22)
Amico	Entertainment	Aug	56,500 (50,1)	3.1 (3.0)
Amico	Entertainment	Aug	1514 (1,400)	0.45 (0.45)
Amico	Entertainment	Aug	805 (804)	1.5 (0.94)
Amico	Entertainment	Aug	26 (5)	1.0
Amico	Entertainment	Aug	1,130 (844)	1.65 (1.0)
Amico	Entertainment	Aug	174 (204)	3.0 (3.0)
Amico	Entertainment	Aug	5,500 (4,700)	3.25 (3.25)
Amico	Entertainment	Aug	1,120 L (773 L)	1.0 (1.0)
Amico	Entertainment	Aug	111 (39)	0.25 (0.25)
Amico	Entertainment	Aug	35 (182 L)	1.0 (1.0)
Amico	Entertainment	Aug	266 (2,000 L)	1.3 (1.3)
Amico	Entertainment	Aug	4,240 (4,130)	1.3 (1.3)

(Figures in parentheses are for the corresponding period). Dividends are shown net per share, except where otherwise indicated. L=Loss. T=Not available per share. * 2 months. ** 3 months. \$ 3 months. # 3 months. P=Preferential share. and figure. \$S Net asset value. *P=Former results versus pre-privatization. #P=Former results. * Foreign income dividend. ♦ 14-month figures. ♪ 37-week figures. ♪ 26-week figures.

■ Results due next week

Company	Sector	Announcement	Last year Interim	Dividend (p)*	This year Interim
FINAL DIVIDENDS					
Bridport-Gandy	Text	Wednesday	1.25	1.75	1.38
DFS Furniture Co	Text	Wednesday	23	4.8	2.65
Garment Smur Co's	Text	Monday	1.5	4.25	1.5
Genstar (UK) Group	Text	Wednesday	3.35	10.61	5.15
Highland Distilleries	Text	Monday	1.26	5.5	1.9
Hong Kong Inv.	Int'l	Tuesday	-	-	-
Hotels Worldwide	Hotels	Tuesday	2.45	11.4	2.55
Hotels Worldwide	Hotels	Wednesday	-	-	-
Hotels Worldwide	Hotels	Wednesday	0.25	0.25	-
INTERIM DIVIDENDS					
Airflow Streamers	Eng	Thursday	2.0	5.0	-
Airtex Hedges	Text	Friday	-	-	-
Amwest	Text	Thursday	-	-	-
Audex Properties	Text	Friday	-	-	-
BDA Holdings	Prop	Wednesday	-	-	-
Berndorf Hedges	Prop	Wednesday	-	-	-
Berry Birch & Noble	Prop	Wednesday	1.8	0.8	-
Boat (Henry) & Sons	Prop	Wednesday	1.85	5.25	-
Card Clear	Prop	Wednesday	-	-	-
El Oro Mining	Prop	Wednesday	-	-	-
English National Inv Co	Prop	Wednesday	-	-	-
Exploration Co	Prop	Wednesday	-	-	-
Farnell Electronics	Prop	Wednesday	-	-	-
Ferguson Int'l Hedges	Prop	Wednesday	4.5	8.75	-
Hawkeuk Europe	Prop	Wednesday	1.0	2.0	-
Hear Goveit Smaller	Prop	Wednesday	-	-	-
Hear Goveit Smaller Co's Inv Co	Prop	Wednesday	-	-	-
London Smaller Co's Inv Co	Prop	Wednesday	-	-	-
Newport Hedges	Prop	Wednesday	-	-	-
Oliver Property	Prop	Wednesday	-	-	-
Padang Sengar Hedges	Prop	Wednesday	-	-	-
Remco Energy	Prop	Wednesday	-	-	-
Richardson	Prop	Wednesday	0.93	1.07	-
Scottish American Inv Co	Prop	Wednesday	-	-	-
Scotstar	Prop	Wednesday	-	-	-
Soc Tel of Scotland	Prop	Wednesday	-	-	-
Shires High Yielding Snr	Prop	Wednesday	-	-	-
Singapore Pwrs Rubber	Prop	Wednesday	-	-	-
Southgate Data Systems	Prop	Wednesday	-	-	-
The Rock	Prop	Wednesday	-	-	-
Town Centre Securities	Prop	Wednesday	2.1	2.1	-
Value & Income Trst	Prop	Friday	2.75	5.0	-
Warner Investments	Prop	Friday	-	-	-

■ Current takeover bids and mergers

Company	Value of bid (£'000)	Method	Price	Value of bid per share (£)	Price	Value of bid per share (£)
Altair	110*	109	95	5.75	95	5.75
Bedroom	110	110	95	5.75	95	5.75
Broadcom	415	411	359	34.00	31.70	33.00
Chilmark Radio	318	348	360	21.10	20.50	21.00
Compton	214*	214	180	17.00	17.00	17.00
Concord Gaskets	100*	100	120	12.00	12.00	12.00
David Lloyd	400*	371	364	22.70	21.70	21.70
Dobson Park	110*	125	119	10.00	10.00	10.00
Eastern	870*	870	300	25.00	25.00	25.00
Finco	172*	168	175	21.50	21.50	21.50
Floors	265*	262	183	10.00	10.00	10.00
Marwest	1015	975	928	19.50	19.50	19.50
Metals Electric	210*	1140	975	17.25	17.25	17.25
Northgate	1105*	905	612	10.72	11.00	10.72
SWEP	985*	10	10	1.0	1.0	1.0
Scramatic	10,54	9,64	897	26.00	26.00	26.00
Southern Electr	1010	371	365	13.00	13.00	13.00
TSB	3827*	237	217	21.75	21.75	21.75
Taunton Cedar	176*	151	168	10.00	10.00	10.00
Vista	176*	109	95	9.50	9.50	9.50

Weekend Investor

Wall Street

Market shudders when the chips are down

Maggie Urry on the knock-on effects of near-panic in the technology sector

Are the chips down for the technology sector? For some weeks now Wall Street has had a rumbling fear that high-tech stocks are too high. That turned to near-panic early this week, following some poor earnings news from Novell and Motorola.

It was the second short, sharp sell-off of technology stocks this year. The first, in mid-July, followed disappointing second quarter results from leaders such as Microsoft, Intel and Apple Computer. That led to a 5 per cent fall in the Nasdaq index, which is heavily weighted towards technology stocks, over two days. The index recovered to make new highs again.

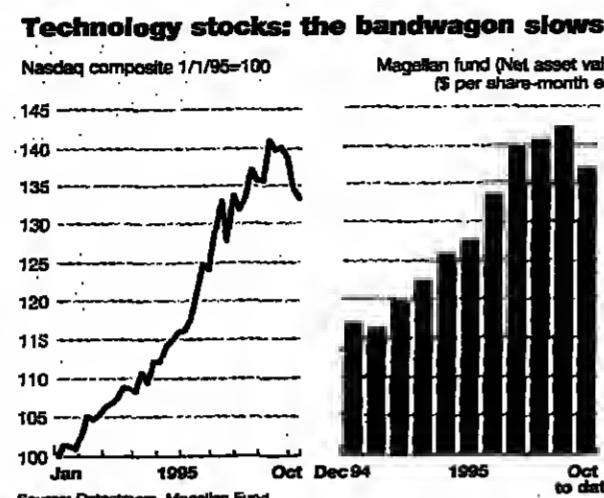
A drop of the same percentage in the index occurred between Monday's opening and Tuesday morning. The selling quickly abated and buyers came back in to the sector - but could the sector or the market withstand a third such test?

The rise of the technology sector has been one of the best features of the stock market this year. The Nasdaq index had risen 43.5 per cent to its peak in mid-September while the Dow Jones Industrial Average's gain to its peak was 25 per cent.

A capital gain of a quarter in less than a year might be regarded by most investors as more than acceptable. But mutual funds sell on performance. The ones which have been heaviest in technology this year have performed the best. They attract the cash flows, and in turn invest that oomph in the technology sector, pushing the prices higher and confirming their better performance.

One of the best performing funds has been Fidelity Investments' Magellan Fund run by Jeff Vinik. The fund started the year with 37.4 per cent of its money in technology stocks. By the end of April that weighting had risen to 45.6 per cent - more than three times the proportion that technology stocks represent in the Standard & Poor's 500 index.

The fund's net assets have increased from \$36.4bn at the start of the year, to \$51.1bn at the close of business on Monday night through a combination of new money and investment gains. Twenty-four hours later Mr Vinik had lost \$1.3bn on paper, as the technology sector slid.



Texas Instruments' earnings per share for the first nine months of 1995 are up 56 per cent. Its share price has doubled since the start of the year, to around \$74.

Although the share price has risen much faster than earnings, the p/e ratio is still modest at around 20 for last year, coming down to perhaps 12½ this year if the pace of earnings growth continues in the fourth quarter.

But other technology companies have not done as well as Texas, Apple, for instance, has had a miserable year with poor earnings combined with boardroom arguments over the company's direction.

It seems unfair that the woes of some stocks should bring down the whole sector. But that is the way markets work.

That does not seem a big reduction from the April peak. And it could have been achieved simply by redirecting the cashflows into the fund towards other sectors, rather than selling. The end of September figure may prove more interesting.

The question investors must ask now is whether technology shares are overvalued or not. If not, a reversal such as this week's could be just the slowing of the bandwagon, the end of the bandwagon.

That has brought long bond yields down to levels not seen since the Federal Reserve started raising interest rates in February last year.

Dow Jones Ind Average

Day	Price	Change
Monday	4,726.22	-42.99
Tuesday	4,720.80	-5.42
Wednesday	4,735.25	+14.45
Thursday	4,764.88	+29.63
Friday		

Price y'day

Change on week

1995 High

1995 Low

Bid speculation

Lagging behind the leaders

Loss of marketing agreement

Profit forecast downgrade

Bid speculation returns

In "substantial transaction" talk

Vague bid talk

Boddington acquisition benefits

Bumper figures

Potential cost savings

US takeover approach

Bid rumours

Forecast downgrades

Lloyds merger deal

Sector weakness

Barry Riley

Chancellor Ken's real challenge

In 1996, economic growth must shift to the personal sector

So Kenneth Clarke, the chancellor of the exchequer, is looking forward to his Budget statement next month a lot more than he looked forward to the previous two. He will certainly aspire to please the loyal Tory supporters at Blackpool who were expecting income tax cuts so eagerly. But will the Budget have much more to offer than political trickery?

Around the world, this is a tough time for hedging. The US government has locked horns with Congress over its planned deficit, and much of Europe is beset by fiscal problems that are edging towards the critical.

This week, for instance, French civil servants marched through the streets of Paris in protest against a salary freeze. The Austrian government collapsed on Thursday after a coalition row over social security cuts. Similarly, the Spanish budget has provoked a new political split and might not be approved in the National Assembly. Across Europe, taxes have been rising sharply and economic growth rates are sagging.

Andrew Dilnot, of the Institute for Fiscal Studies, told Wednesday's Green Budget seminar (held jointly with Goldman Sachs) that pre-election periods tend to be ugly and sordid experiences for believers in prudent finance and rational taxation.

Sachs, and to more than 230bn on some other estimates. Monetary growth has shot up, and now underlying inflation of 3.1 per cent makes Clarke's target of under 2.5 per cent by early 1997 look strained.

Tory chancellors faced with similar circumstances in the past have taken huge risks.

Reginald Maudling, who

set out a programme for much bigger cuts over the next two years, before and after the planned spring 1997 election. He will need to put some promises in the shop window because, with a parliamentary majority now down to five, the government might well not survive until then.

But Clarke's luck appears to have been running out. Even his keynote speech at the Tory party conference on Thursday was spoiled by the publication earlier that morning of an inflation rate for September well above expectations, at 3.9 per cent.

In his early days as chancellor, once he had survived the poisoned chalice of the second round of tax increases inherited from Norman Lamont, everything appeared to go right. The economy suddenly started to boom (thanks to a fresh surge in world trade), unemployment began to fall and inflation stayed steady at the historically very low level of around 2.5 per cent.

Now, though, the economy has slowed sharply and public sector borrowing, estimated originally at £21bn for 1995-96, is seriously overshooting - to £27bn, according to Goldman

London Dizzy dive turns to high flying

Philip Coggan looks back on a topsy-turvy week

Up, down, flying around, looping the loop and defying the ground. The theme song from *Those Magnificent Men in Their Flying Machines* was definitely the anthem of the week.

It made you dizzy just to watch the news. First, there was a Tory MP, a former member of the Thatcherite No Turning Back group, defecting to the opposition because the Conservative party was too right wing.

Then, on the financial markets, the technology sector provided what investors had long been fearing. A profits warning from software group Novell on Monday, and a statement from Motorola on Tuesday that the growth rate in cellular subscribers was declining, sent tech stocks, and the broader US market, into retreat.

The FT-SE 100 index was dragged along in Wall Street's wake, falling more than 50 points on Tuesday - its largest one-day decline for almost four

months. But, just as investors were thinking back to past stock market disasters in October, the market suddenly turned around. The Dow Jones industrial average converted an initial 66-point decline on Tuesday into a closing loss of just five points, and then managed gains on both Wednesday and Thursday.

Footsie also reversed course, managing a near 50-point increase on Thursday and a 44-point gain yesterday, taking the market within three points of an all-time closing high.

There was more behind London's rise than just relief at Wall Street's rebound, however. That trusty ally of the Conservative party was too right wing.

Footsie also reversed course, managing a near 50-point increase on Thursday and a 44-point gain yesterday, taking the market within three points of an all-time closing high.

The FT-SE 100 index was dragged along in Wall Street's wake, falling more than 50 points on Tuesday - its largest one-day decline for almost four

months. But, just as investors were thinking back to past stock market disasters in October, the market suddenly turned around. The Dow Jones industrial average converted an initial 66-point decline on Tuesday into a closing loss of just five points, and then managed gains on both Wednesday and Thursday.

Footsie also reversed course, managing a near 50-point increase on Thursday and a 44-point gain yesterday, taking the market within three points of an all-time closing high.

The FT-SE 100 index was dragged along in Wall Street's wake, falling more than 50 points on Tuesday - its largest one-day decline for almost four

months. But, just as investors were thinking back to past stock market disasters in October, the market suddenly turned around. The Dow Jones industrial average converted an initial 66-point decline on Tuesday into a closing loss of just five points, and then managed gains on both Wednesday and Thursday.

Footsie also reversed course, managing a near 50-point increase on Thursday and a 44-point gain yesterday, taking the market within three points of an all-time closing high.

The FT-SE 100 index was dragged along in Wall Street's wake, falling more than 50 points on Tuesday - its largest one-day decline for almost four

months. But, just as investors were thinking back to past stock market disasters in October, the market suddenly turned around. The Dow Jones industrial average converted an initial 66-point decline on Tuesday into a closing loss of just five points, and then managed gains on both Wednesday and Thursday.

Footsie also reversed course, managing a near 50-point increase on Thursday and a 44-point gain yesterday, taking the market within three points of an all-time closing high.

The FT-SE 100 index was dragged along in Wall Street's wake, falling more than 50 points on Tuesday - its largest one-day decline for almost four

months. But, just as investors were thinking back to past stock market disasters in October, the market suddenly turned around. The Dow Jones industrial average converted an initial 66-point decline on Tuesday into a closing loss of just five points, and then managed gains on both Wednesday and Thursday.

Footsie also reversed course, managing a near 50-point increase on Thursday and a 44-point gain yesterday, taking the market within three points of an all-time closing high.

The FT-SE 100 index was dragged along in Wall Street's wake, falling more than 50 points on Tuesday - its largest one-day decline for almost four

months. But, just as investors were thinking back to past stock market disasters in October, the market suddenly turned around. The Dow Jones industrial average converted an initial 66-point decline on Tuesday into a closing loss of just five points, and then managed gains on both Wednesday and Thursday.

Footsie also reversed course, managing a near 50-point increase on Thursday and a 44-point gain yesterday, taking the market within three points of an all-time closing high.

The FT-SE 100 index was dragged along in Wall Street's wake, falling more than 50 points on Tuesday - its largest one-day decline for almost four

months. But, just as investors were thinking back to past stock market disasters in October, the market suddenly turned around. The Dow Jones industrial average converted an initial 66-point decline on Tuesday into a closing loss of just five points, and then managed gains on both Wednesday and Thursday.

Footsie also reversed course, managing a near 50-point increase on Thursday and a 44-point gain yesterday, taking the market within three points of an all-time closing high.

The FT-SE 100 index was dragged along in Wall Street's wake, falling more than 50 points on Tuesday - its largest one-day decline for almost four

months. But, just as investors were thinking back to past stock market disasters in October, the market suddenly turned around. The Dow Jones industrial average converted an initial 66-point decline on Tuesday into a closing loss of just five points, and then managed gains on both Wednesday and Thursday.

Footsie also reversed course, managing a near 50-point increase on Thursday and a 44-point gain yesterday, taking the market within three points of an all-time closing high.

The FT-SE 100 index was dragged along in Wall Street's wake, falling more than 50 points on Tuesday - its largest one-day decline for almost four

months. But, just as investors were thinking back to past stock market disasters in October, the market suddenly turned around. The Dow Jones industrial average converted an initial 66-point decline on Tuesday into a closing loss of just five points, and then managed gains on both Wednesday and Thursday.

Footsie also reversed course, managing a near 50-point increase on Thursday and a 44-point gain yesterday, taking the market within three points of an all-time closing high.

The FT-SE 100 index was dragged along in Wall Street's wake, falling more than 50 points on Tuesday - its largest one-day decline for almost four

months. But, just as investors were thinking back to past stock market disasters in October, the market suddenly turned around. The Dow Jones industrial average converted an initial 66-point decline on Tuesday into a closing loss of just five points, and then managed gains on both Wednesday and Thursday.

Footsie also reversed course, managing a near 50-point increase on Thursday and a 44-point gain yesterday, taking the market within three points of an all-time closing high.

The FT-SE 100 index was dragged along in Wall Street's wake, falling more than 50 points on Tuesday - its largest one-day decline for almost four

months. But, just as investors were thinking back to past stock market disasters in October, the market suddenly turned around. The Dow Jones industrial average converted an initial 66-point decline on Tuesday into a closing loss of just five points, and then managed gains on both Wednesday and Thursday.

Footsie also reversed course, managing a near 50-point increase on Thursday and a 44-point gain yesterday, taking the market within three points of an all-time closing high.

The FT-SE 100 index was dragged along in Wall Street's wake, falling more than 50 points on Tuesday - its largest one-day decline for almost four

months. But, just as investors were thinking back to past stock market disasters in October, the market suddenly turned around. The Dow Jones industrial average converted an initial 66-point decline on Tuesday into a closing loss of just five points, and then managed gains on both Wednesday and Thursday.

Footsie also reversed course, managing a near 50-point increase on Thursday and a 44-point gain yesterday, taking the market within three points of an all-time closing high.

The FT-SE 100 index was dragged along in Wall Street's wake, falling more than 50 points on Tuesday - its largest one-day decline for almost four

months. But, just as investors were thinking back to past stock market disasters in October, the market suddenly turned around. The Dow Jones industrial average converted an initial 66-point decline on Tuesday into a closing loss of just five points, and then managed gains on both Wednesday and Thursday.

Footsie also reversed course, managing a near 50-point increase on Thursday and a 44-point gain yesterday, taking the market within three points of an all-time closing high.

The FT-SE 100 index was dragged along in Wall Street's wake, falling more than 50 points on Tuesday - its largest one-day decline for almost four

months. But, just as investors were thinking back to past stock market disasters in October, the market suddenly turned around. The Dow Jones industrial average converted an initial 66-point decline on Tuesday into a closing loss of just five points, and then managed gains on both Wednesday and Thursday.

Footsie also reversed course, managing a near 50-point increase on Thursday and a 44-point gain yesterday, taking the market within three points of an all-time closing high.

The FT-SE 100 index was dragged along in Wall Street's wake, falling more than 50 points on Tuesday - its largest one-day decline for almost four

months. But, just as investors were thinking back to past stock market disasters in October, the market suddenly turned around. The Dow Jones industrial average converted an initial 66-point decline on Tuesday into a closing loss of just five points, and then managed gains on both Wednesday and Thursday.

Footsie also reversed course, managing a near 50-point increase on Thursday and a 44-point gain yesterday, taking the market within three points of an all-time closing high.

The FT-SE 100 index was dragged along in Wall Street's wake, falling more than 50 points on Tuesday - its largest one-day decline for almost four

months. But, just as investors were thinking back to past stock market disasters in October, the market suddenly turned around. The Dow Jones industrial average